



# ***Daily Report***

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## **China**

FBIS-CHI-93-072  
Friday  
16 April 1993

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### CONTENTS

16 April 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

Group Says PRC Turns 'Blind Eye' to Torture [AFP] .....	1
Leaders Send Greetings to Jiang Zemin, Li Peng [XINHUA] .....	1
Democratized Ties, End to 'Hegemonism' Urged [XINHUA] .....	2
Chen Xitong Meets Uruguayan Olympic Delegate [XINHUA] .....	2
UN To Debate Bosnia-Herzegovina Issue 19 Apr [XINHUA] .....	2
'Roundup' Views Bosnia-Herzegovina Peace Process [XINHUA] .....	2
DPRK Denies Plan To Sell Missiles to Iran [XINHUA] .....	3
Kim Il-song Rejects Pressure on Nuclear Issue [XINHUA] .....	3
Trade, Aid to Russia To Top U.S.-Japan Summit [XINHUA] .....	4
Miyazawa To Seek Cooperation [XINHUA] .....	4
U.S. Official on 'Push' for Reform in Africa [XINHUA] .....	4
Arab-Israeli Peace Talks Set for 20 April [XINHUA] .....	4

##### United States & Canada

Shanghai Group To Recruit Students in U.S. [Shanghai Radio] .....	5
U.S. Firm Urges Separating MFN, Diplomacy [XINHUA] .....	6

##### Central Eurasia

Yeltsin Appoints Lobov First Vice Premier [XINHUA] .....	6
Yeltsin Sets Conditions on Troop Withdrawals [XINHUA] .....	6
Russian Parliament Ratifies CIS Charter [XINHUA] .....	6
Trial of 1991 Coup Plotters Adjourns Indefinitely [XINHUA] .....	7

##### Northeast Asia

Li Peng Meets Japanese Businessmen in Shanghai [XINHUA] .....	7
Construction Minister Meets Counterpart in ROK [XINHUA] .....	7

##### Southeast Asia

Interview With Visiting Thai Commerce Minister [Beijing International] .....	8
Boats Seize Vietnamese Ships Leaving Hong Kong	
[Hong Kong SOUTH CHINA MORNING POST 16 Apr] .....	9
Singapore Premier Interviewed Prior to Visit [XINHUA] .....	9
Views Asia-Pacific Issues [XINHUA] .....	9
Bank Secures Singapore Loan for Xiamen Plant [XINHUA] .....	10
New Zealand Trade Mission Leaves for Visit [XINHUA] .....	10

##### Sub-Saharan Africa

Qian Qichen Receives Mauritian Foreign Minister [XINHUA] .....	10
Liaison Official Meets Minister [XINHUA] .....	11

### West Europe

Wu Yi Receives Irish Trade Minister McCreedy [XINHUA] .....	11
Qian Qichen Meets McCreedy [XINHUA] .....	11
NPC's Qin Jiwei Meets German Parliamentarians [XINHUA] .....	12
Siemens Starts Digital Exchange Venture [XINHUA] .....	12
Finnish Delegation Shows Interest in Trade Zone [CHINA DAILY 15 Apr] .....	12

## NATIONAL AFFAIRS

### Political & Social

Public Security Minister on Law, Order [RENMIN GONGAN BAO 27 Mar] .....	13
State Council on Unhealthy Tendencies [XINHUA] .....	15
State Council on Transition of Organizations [XINHUA] .....	16
Sichuan Governor Xiao Yang Defends Zhao Ziyang [Hong Kong TANGTAI 15 Apr] .....	16
Customs Administration Revises Regulations [RENMIN RIBAO 10 Apr] .....	17
Jiang Zemin, Leaders Attend Hainan Celebration [Haikou Radio] .....	18
Jiang Addresses Rally [XINHUA] .....	19
Inspects Bonded Zone [Haikou Radio] .....	20
Hu Jintao on 14th Party Congress Guidelines [QIUSHI 15 Mar] .....	21
Leaders Hold Discussions With NPC Deputies .....	27
Li Tieying Joins Jilin Deputies [JILIN RIBAO 18 Mar] .....	27
Qian Qichen at Jilin Meeting [JILIN RIBAO 19 Mar] .....	27
Zou Jiahua, Inner Mongolia Deputies Meet [NEIMENGGU RIBAO 20 Mar] .....	28
Liu Huaqing Pays Last Tribute to Chen Zaidao [XINHUA] .....	29

### Science & Technology

Article Describes Functions of 33 Satellites [Hong Kong WEN WEI PO 15 Apr] .....	29
Electronic Navigational Charting System Developed [XINHUA] .....	30
China Establishes Environmental Protection Zones [CHINA DAILY 15 Apr] .....	30

### Military

Training Submarine Runs Aground, Explodes 1 Mar [Hong Kong TUNG HSIANG 15 Apr] .....	31
Chi Haotian Calls on Retired Veterans in Hainan [Haikou Radio] .....	31
Jilin Military Leaders Attend Lei Feng Forum [JILIN RIBAO 12 Mar] .....	31

### Economic & Agricultural

'Pen Talk' on GATT Reentry, Foreign Exchange [RENMIN RIBAO OVERSEAS EDITION 8 Apr] .....	32
Trade Minister on Role of Foreign Investment [CHINA DAILY (SPRING FAIR SUPPLEMENT) 15 Apr] .....	33
State Council on Unauthorized Fund Raising [XINHUA] .....	36
Article Urges Studying National Conditions [JINGJI RIBAO 26 Mar] .....	37
Customs Department Reports Rise in Trade Volume [XINHUA] .....	40
Deputy Auditor-General Comments on System [XINHUA] .....	40
Foreign Exchange Market Regulations Made Public [XINHUA] .....	40
Computerized Information Network Takes Shape [XINHUA] .....	41
Productive Forces Centers Aid Rural Enterprises [XINHUA] .....	41
CAS High-Tech Conglomerate Planned in Beijing [XINHUA] .....	42
Hubei To Supply Water to Beijing Area [Hong Kong THE STANDARD 15 Apr] .....	42
Li Lanqing Attends Contract Signing Ceremony [Shenyang Radio] .....	42
Li Lanqing Inspects Guangdong Commodities Fair [XINHUA] .....	42
Outgoing NPC Chairman Warns of Peasant Unrest [Hong Kong TANGTAI 15 Apr] .....	43
Agriculture Minister Pledges Help for Peasants [CHINA DAILY 15 Apr] .....	44

## REGIONAL AFFAIRS

### East Region

Shandong People's Congresses Elect Leaders .....	45
Dongying City [DAZHONG RIBAO 16 Mar] .....	45
Weifang City [DAZHONG RIBAO 16 Mar] .....	45
Activities, Remarks of Shandong's Jiang Chunyun .....	45
Discusses Implementing Guidelines [Jinan Radio] .....	45
Views Family Planning [Jinan Radio] .....	46
Meets CPPCC Members [Jinan Radio] .....	47
Zhejiang Sets Up Quzhou Development Zone [ZHEJIANG RIBAO 21 Mar] .....	47
Zhejiang Adjusts Development Speed to 10 Percent [XINHUA] .....	47

### Central-South Region

Guangdong Industrial Output Up 32 Percent [Guangzhou Radio] .....	48
Henan Government, Legal Work Meeting Ends [Zhengzhou Radio] .....	48
Prospecting Official on Henan Oil Exploitation [Zhengzhou Radio] .....	49

### Southwest Region

Sichuan Congress Chairman Relays NPC Spirit [Chengdu Radio] .....	49
Yunnan Secretary on Provincial Elections [Kunming Radio] .....	50

### North Region

Beijing Mayor Inspects Rail Construction Site [XINHUA] .....	50
Hebei's Xingtai City Elects New Leaders [HEBEI RIBAO 17 Mar] .....	50
Remarks of Hebei's Cheng Weigao Reported .....	51
Discusses Economic Development [HEBEI RIBAO 18 Mar] .....	51
Views Reform, Economic Growth [HEBEI RIBAO 19 Mar] .....	52
Addresses Industrial Teleconference [HEBEI RIBAO 21 Mar] .....	53
Inner Mongolia's Baotou Rare Earth Zone Opens [NEIMENGGU RIBAO 10 Mar] .....	54
Inner Mongolia Death Sentence for Drug Dealer [NEIMENGGU RIBAO 12 Mar] .....	54
Inner Mongolia NPC Deputies Discuss Issues .....	55
Secretary on Li Peng Report [NEIMENGGU RIBAO 18 Mar] .....	55
Official Discusses Rural Reform [NEIMENGGU RIBAO 19 Mar] .....	56
Inner Mongolia Holds Meeting on Veteran Cadres [NEIMENGGU RIBAO 20 Mar] .....	57
Inner Mongolia Accelerates Power Construction [Hohhot Radio] .....	58
Tianjin Lifts Controls Over Grain Prices [XINHUA] .....	58
Tianjin Assimilates Foreign Capital Enterprises [Tianjin Radio] .....	58

### Northeast Region

Remarks of Heilongjiang Secretary Noted .....	58
Discusses Market Economy [HEILONGJIANG RIBAO 17 Mar] .....	58
Comments on Township Enterprises [Harbin Radio] .....	61
Jilin's Changchun City Congress Elects Leaders [JILIN RIBAO 19 Mar] .....	62

## PRC MEDIA ON TAIWAN AFFAIRS

Ministry Says Hijacker Suspected of Embezzlement [XINHUA] .....	63
Commentary Hails Cooperation in Hijacking Case [Beijing Radio] .....	63

## TAIWAN

Cabinet Approves Revision to Copyright Law [CNA] .....	65
Defense Minister on F-16 Deal, F-104 Safety [Taipei Radio] .....	65
DPP Makes 'Strong Bid' To Participate in Talks [Hong Kong SOUTH CHINA MORNING POST 16 Apr] .....	65
Ku To Meet Lee Kwan Yew Before PRC Talks [CNA] .....	66



## HONG KONG & MACAO

### Hong Kong

Article Evaluates Patten's 'Political Farce' [RENMIN LUNTAN 5 Feb] .....	67
Benefits of Resumed Sino-UK Talks Noted [ZHONGGUO XINWEN SHE] .....	70
UK Urged To Speak 'Prudently' on Talks [Hong Kong WEN WEI PO 16 Apr] .....	70
Commentary Criticizes Patten on Legco's Role [Hong Kong WEN WEI PO 16 Apr] .....	71
Legislators Elected in 1995 May Not Stay in 1997 [Hong Kong SOUTH CHINA MORNING POST 16 Apr] .....	72
Taiwan Reports Possible PLA 'Drastic Measures' [Taipei LIEN HO PAO 5 Apr] .....	72
Officials 'Concerned' Over PRC Ship Detentions [Hong Kong SOUTH CHINA MORNING POST 16 Apr] .....	73

## General

### Group Says PRC Turns 'Blind Eye' to Torture

HK1504152593 Hong Kong AFP in English 1455 GMT 15 Apr 93

[Text] Beijing, April 16 (AFP)—Amnesty International on Friday [16 April] accused China of turning a blind eye to the widespread use of torture in the country's prisons and detention centers.

"The impunity enjoyed by China's torturers is one of the factors which contribute to the continued widespread use of torture," the London-based human rights organization said in a statement issued here.

On April 22 in Geneva, China is to present a report on torture prevention to the committee responsible for monitoring adherence to the U.N. Convention Against Torture.

Beijing signed the convention in 1988, but Amnesty said the government had not yet answered the committee's questions on the implementation of measures protecting the Chinese people from such human rights abuses.

"The government has not instituted the fundamental reforms needed to reduce the incidence of torture, which continues to be widespread and systematic," Amnesty said.

"The information received by Amnesty International in recent years suggests that torture has become endemic in many places of detention in China and the extent of the practice is now far more widespread than it was ten years ago, with prisoners frequently suffering far more severe abuses," the organization added.

Amnesty, which last December issued a report on torture in China in 1992, also said "continuing government campaigns to crush crime and political opposition during the past decade have contributed to this trend."

It rejected Chinese claims that torture cases were subject to special investigations and that offenders were punished.

"Well-documented evidence shows this claim to be largely false," Amnesty said.

On March 30, new Chinese Public Prosecutor Zhang Siqing declared that the issue of human rights abuses, "notably confessions obtained through torture," would be a top priority.

Amnesty appealed to the Chinese Government "to adopt effective legislative, administrative and judicial measures" to bring the country's practices into conformity with the requirements of the convention.

It also demanded that Beijing recognize the right of individuals, under Article 22 of the convention, to bring complaints about torture to the U.N. committee.

### Leaders Send Greetings to Jiang Zemin, Li Peng

OW1604113193 Beijing XINHUA Domestic Service in Chinese 1337 GMT 15 Apr 93

[Text] Beijing, 15 Apr (XINHUA)—More foreign heads of state and government leaders have sent congratulatory cables (letters) to greet our country's newly elected state leaders in the past few days.

Those who sent congratulatory cables (letters) to Chairman Jiang Zemin are:

William Hayden, governor general of Australia  
Itamar Franco, president of the Federative Republic of Brazil  
Pierre Buyoya, president of the Republic of Burundi  
Pascal Lissouba, president of the Republic of Congo  
Michal Kovac, president of Slovakia  
Leonid Kravchuk, president of Ukraine  
Jean-Luc Dehaene, prime minister of the Kingdom of Belgium  
Ruud Lubbers, prime minister of the Kingdom of the Netherlands  
James Bolger, prime minister of New Zealand  
Juan Samaranch, president of the International Olympics Committee

Those who sent congratulatory cables (letters) to Vice President Rong Yiren are:

Itamar Franco, president of the Federative Republic of Brazil  
Kicheril Raman Narayanan, vice president of the Republic of India

Those who sent congratulatory cables (letters) to Premier Li Peng are: Itamar Franco, president of the Federative Republic of Brazil  
Andrei Sangheli, prime minister of the Republic of Moldova  
Vladimir Meciar, prime minister of Slovakia  
Schwab, president of the World Economic Forum

Those who sent congratulatory cables (letters) to Chairman Qiao Shi are:

Saman Vi-gnaket, chairman of the National Assembly of Laos  
Jose de Venecia, speaker of the Philippine House of Representatives  
Gasparovic, chairman of the Slovakian Nationality Assembly  
Numan, speaker of the Yemeni Parliament

Those who sent congratulatory cables (letters) to Li Ruihuan, chairman of the Chinese People's Political Consultative Conference are:

Kicheril Raman Narayanan, vice president of the Republic of India  
Maisuok, president of the Lao People's National Liberation United Front  
Sajad Wasim, chairman of the Pakistani Senate.

**Democratized Ties, End to 'Hegemonism' Urged***OW1504182293 Beijing XINHUA in English 1557  
GMT 15 Apr 93*

[Text] New Delhi, April 15 (XINHUA)—China today called for the democratization of international relations and the elimination of hegemonism and power politics.

Addressing the on-going six-day 89th Inter-Parliamentary Conference here, the Chinese delegate Zhu Qizhen, a member of Standing Committee of the People's Congress, said that a just and rational new international order should be built on the Five Principles of Peaceful Co-existence.

"We believe that international relations should be democratized," Zhu said.

He said that all countries, irrespective of their size, strength and economic condition, are equal members of the international community with the right to participate in the deliberations and resolution of international issues.

"No big, strong and rich countries should be allowed to bully or oppress the small, the weak and the poor," Zhu added.

He said that China is firmly opposed to hegemonism and power politics in any form and the Chinese people are ready to join the people of the world in safeguarding world peace and promoting human progress.

Old problems and contradictions have not been totally resolved before the formerly latent contradictions suddenly come to surface, Zhu noted, adding that the areas along the edges of the Eurasian continent have become a seismic belt of conflicts.

Observing that international economic competition has become fiercer and the economic situation of many developing countries has further deteriorated, he warned that if the situation remains unchanged it will surely give rise to new conflicts.

**Chen Xitong Meets Uruguayan Olympic Delegate***OW1504213293 Beijing XINHUA in English 2107  
GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—Chen Xitong, president of the Beijing 2000 Olympic Bid Committee (BOBICO), met Thursday [15 April] with Jose D. Valarino Veracierto, International Olympic Committee member from Uruguay.

During their talks, Chen and Veracierto reached a consensus that Beijing is best in China in combining sports and culture in its bid for the 2000 Olympiad.

**UN To Debate Bosnia-Herzegovina Issue 19 Apr***OW1604021393 Beijing XINHUA in English 2330  
GMT 15 Apr 93*

[Text] United Nations, April 15 (XINHUA)—A debate on the issue of Bosnia and Herzegovina will be open for participation to all members of the United Nations on Monday [19 April] afternoon and Tuesday.

This unusual decision was announced at a briefing this afternoon by Jamsheer Marker, president of the Security Council, after Security Council consultations on the republic.

Marker, Pakistani ambassador to the world body, said that the decision to take the debate was triggered by a letter to the Security Council today from the caucus of the non-aligned in the 15-member Security Council, namely, Brazil, Cape Verde, Djibouti, Morocco and Venezuela.

The president also announced that the council will proceed to vote on April 26 on the resolution of tightening economic sanctions and the naval blockade on Serb-dominated Yugoslavia. The vote had been scheduled for last Monday and postponed at the request of the Russian Federation.

Explaining why to debate on the issue by all U.N. members instead of the 15, the president said that the Council has frequently been charged with "doing everything in secrecy" for there is not enough "transparency" in the Council's considerations.

He said "We felt it is necessary that on the issue like this the members of the United Nations should have a chance to express themselves." Another reason is that this is a specific demand from the non-aligned caucus in the Council.

Asked whether there are any circumstances in Bosnia and Herzegovina between now and April 26 that could move the Council to an earlier vote, the president said the Council by no means excludes itself from reacting to any emergency and any circumstances between now and April 26.

Russian diplomats said that the delay of the vote was to offer the Bosnian Serb party a last chance to sign the U.N.-mediated peace accord that the country's Muslims and Croats already signed here last month. Observers noted that a referendum is scheduled for April 25 in Russia to decide President Boris Yeltsin's powers and reform programs.

**'Roundup' Views Bosnia-Herzegovina Peace Process***OW1504131993 Beijing XINHUA in English 1008  
GMT 15 Apr 93*

["Roundup" by Shao Yunhuan and Cao Rongfei: "Bosnia Peace at Crossroads"]

[Text] Belgrade, April 14 (XINHUA)—New hopes for restoring peace to the war-ravaged Bosnia-Herzegovina republic of ex-Yugoslavia were dampened Wednesday [14 April] when the latest efforts by international mediators produced no result.

Konstandinos Mitsotakis, prime minister of Greece, Vitaliy Churkin, Russian special envoy to the peace talks on former Yugoslavia, and Reginald Bartholomew, special envoy of the United States President Bill Clinton, arrived here separately on Tuesday and Wednesday hoping to break the impasse in the Bosnia peace talks.

So far Bosnian Serbs are refusing to accept the peace settlement worked out by Lord Owen and Cyrus Vance, co-chairmen of the Geneva peace conference on the former Yugoslavia conflict.

Churkin, who was visiting Belgrade for a third time in 10 days, flew into Belgrade from New York where on Monday he met with Owen and Vance. Since Churkin's last trip to Belgrade, Russian President Boris Yeltsin and U.S. President Bill Clinton held their summit meeting in Vancouver, Canada, and it was hoped that perhaps he might be bringing a new Russian proposal to end the Bosnia conflict.

But after Churkin and Bartholomew's separate meetings with Serb leaders on Wednesday, hope for an effective settlement seems to be fading.

Churkin's insistence that Russia is strongly interested in exploring any possibility for a political solution to the crisis apparently failed to sway Bosnian Serb leader Radovan Karadzic. Karadzic made it clear that he was not yet ready to accept the peace plan which was proposed by Owen and Vance and accepted by Bosnia's Muslims and Croats. The Serbs object to the way borders are drawn to divide the Bosnian Republic into 10 semi-autonomous provinces.

Karadzic is demanding that the three factions in the Bosnia conflict hold direct negotiations on disputed issues. He threatens to withdraw from the talks if the international community continues to press him to accept the mapping.

In contrast with Churkin's considerably "mild" tone, U.S. envoy Bartholomew, who is visiting Belgrade for the first time, appeared to be tougher.

On his arrival here Wednesday morning from Zagreb, the capital of Croatia, Bartholomew said his mission was to bring an end to the "military actions and war atrocities in Bosnia" and to "achieve a peace settlement as soon as possible." The Serbs, he charged, bear special responsibility for the war in Bosnia.

Earlier in Zagreb, Bartholomew went as far as suggesting that the United Nations grant "in one way or the other" the request of Muslims that the arms embargo against Bosnia be lifted unless the Serbs sign the Vance-Owen plan.

However, Yugoslav President Dobrica Cosic firmly denied that the Serbs bear the sole responsibility for the Bosnia crisis.

He stated that Yugoslavia had no territorial ambitions over Bosnia-Herzegovina and its new neighbors. He pledged that his country would observe any resolutions agreed upon by the warring factions in Bosnia.

Bartholomew and Churkin were to hold further talks with other Serb leaders, including Serbian President Slobodan Milosevic. But it has become clear that neither of the two envoys has brought with them any new proposals for the Bosnia peace impasse or is likely to hammer out any compromises.

The U.S. and Russian diplomatic efforts came at a time when the enforcement of the UN no-fly-zone resolution entered its third day. The jet planes of the North Atlantic Treaty Organization patrolling over Bosnia has met no resistance.

Analysts here believe that the diplomatic efforts and the show of force are merely a "stick and carrot" policy designed to force the Serbs to sign the international peace plan.

#### **DPRK Denies Plan To Sell Missiles to Iran**

OW1504181793 Beijing XINHUA in English 1558  
GMT 15 Apr 93

[Text] Pyongyang, April 15 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today denied claims that it planned to sell missiles to Iran, the KOREAN CENTRAL NEWS AGENCY reported.

It was reported that a spokesman for the United States State Department last Friday [10 April] said the DPRK planned to sell Iran missiles of its own manufacture with an range of 1,000 kilometers.

A DPRK Foreign Ministry spokesman described the claim as slanderous and accused the U.S. of double standards and interference in the internal affairs of other countries.

#### **Kim Il-song Rejects Pressure on Nuclear Issue**

OW1504213393 Beijing XINHUA in English 2103  
GMT 15 Apr 93

[Text] Pyongyang, April 15 (XINHUA)—The President of the Democratic People's Republic of Korea (DPRK), Kim Il-song, said today that his country would never yield to outside pressure.

The DPRK took the view that holding the initiative in its own hands was its life and would never allow violation of its sovereignty, President Kim said, adding that the Korean people would keep this resolutely and not surrender to the continuous pressure and challenges from outside.



Kim was speaking at a banquet in honor of visiting President of the Supreme National Council of Cambodia Prince Norodom Sihanouk and heads of other delegations.

Some countries plan to impose sanctions on Korea on the grounds of the nuclear problem, but any threat and might would not be workable in Korea, the president stressed.

Korea has been pursuing anti-nuclear and peace-loving policies and it would spare no efforts to turn the Korean peninsula into a non-nuclear zone and to consolidate the peace of the world, Kim added.

#### **Trade, Aid to Russia To Top U.S.-Japan Summit**

*OW1504141293 Beijing XINHUA in English 0519  
GMT 15 Apr 93*

[Text] Washington, April 14 (XINHUA)—Trade and aid issues will top the U.S.-Japan summit meeting scheduled for next week in Washington, a Japanese diplomat said here today.

Takakazu Kuriyama, Japanese ambassador to the United States, told reporters that Japanese Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton would also discuss some regional issues of Asia and the Pacific which are of mutual concern to each other.

"This is the first encounter between the two leaders in their present capacities," Kuriyama said.

Kuriyama described one of the main purposes of the meeting as establishing "a kind of personal relationship of mutual trust between the two leaders."

Kuriyama said Clinton and Miyazawa would discuss both global and bilateral issues.

They plan to coordinate aid policies toward Russia, Kuriyama added.

As to the mutually related items of Asia and the Pacific, he said, the two leaders will discuss "how to coordinate our respective policies toward China, toward Vietnam, and how we are going to cooperate in coming crucial weeks in Cambodia."

#### **Miyazawa To Seek Cooperation**

*OW1504132293 Beijing XINHUA in English 1308  
GMT 15 Apr 93*

[Text] Tokyo, April 15 (XINHUA)—Japanese Prime Minister Kiichi Miyazawa is expected to seek wider cooperation with the United States when he meets President Bill Clinton at the start of a four-day visit to Washington Friday [16 April].

He will first meet Clinton alone in the Oval Office and then they will be joined for a working lunch by cabinet ministers and key aides, Japanese Foreign Ministry officials said here today as Miyazawa left for his trip.

Miyazawa is expected to tell Clinton that Japan would like to upgrade bilateral issues, now dominated by economic concerns, to a level of cooperation over a wide range of global matters.

The four-day trip will be his first visit there since last July when the prime minister made a stopover on his way to the Munich summit meeting of the Group of Seven major world industrialized nations.

#### **U.S. Official on 'Push' for Reform in Africa**

*OW1404112993 Beijing XINHUA in English 1102  
GMT 14 Apr 93*

[Text] Nairobi, April 14 (XINHUA)—United States Assistant Secretary of State for African Affairs George Edward Moose said here on Tuesday [13 April] the U.S. Government will continue to push for political and economic reform in African countries.

At a press conference at Nairobi international airport before he left for Europe after a five-day visit to Kenya, Moose said the U.S. will in future support only those countries that are determined to improve their democratic and economic performance.

"We will support strong and stable governments capable of taking responsibility," he said.

Referring to Kenya, the American official said, the U.S. regards Kenya as a vital country in the east African region, adding his country is concerned about the economic situation in the country.

He said he hopes Kenya will continue to hold discussions with the International Monetary Fund (IMF) and the World Bank "as promised by President (Daniel Arap) Moi" to sort out whatever problems that might exist.

Kenya suspended its normal relationship with the IMF and the World Bank on March 22 in protest against their harsh aid conditions imposed on the country.

During his stay in Kenya, Moose also met representatives of opposition parties and visited a Sudanese refugee camp in northern Kenya.

#### **Arab-Israeli Peace Talks Set for 20 April**

*OW1604105793 Beijing XINHUA in English 1015  
GMT 16 Apr 93*

[Article by Zhou Zexin: "Arab-Israeli Peace Talks Likely To Resume in Washington as Scheduled"]

[Text] Cairo, April 16 (XINHUA)—A flurry of diplomatic activity is underway and a formal announcement probably won't come until the last moment, but officials and analysts expect the Arab-Israeli peace talks to resume as scheduled in Washington on April 20.

The prospect of resuming the talks next week has been strengthened following Israeli Prime Minister Yitzhaq

Rabin's talks with Egyptian President Husni Mubarak in Egypt Wednesday [14 April].

Rabin told a press conference after the talks that he accepted the principle of trading captured Arab lands for peace and further hinted that negotiations could lead to major territorial concessions.

Diplomatic sources who preferred not to be named said Arab negotiators who are already in Washington have met with U.S. officials not to discuss resumption of the peace talks, but ways to make the talks a success.

The issue of some 400 Palestinians deported by Israel in December to south Lebanon is not a problem any more for the resumption of the talks, the sources said.

Israel has made some gestures to entice Palestinians to join in the talks. It has agreed with the United States to repatriate 101 Palestinian deportees immediately and the rest by the end of the year. It was said to have promised not to order any further deportation "except under extraordinary circumstances" and has agreed to bring back some 50 Palestinian activists expelled during the period from 1967 to 1987 before the start of the Palestinian uprising.

Israel has no longer opposed Palestinian demands to improve human rights conditions in the occupied territories and has announced plans to ease investment restrictions there.

Furthermore, Israel has signalled its approval of allowing prominent Palestinians from east Jerusalem, Faysal al-Husayni, to lead the Palestinian delegation to the talks.

East Jerusalem is a sensitive issue. The previous Likud government of Yitzhaq Shamir firmly rejected the participation by any resident from east Jerusalem in the peace talks as it sees east Jerusalem, a territory it occupied in the 1967 Middle East war and annexed later, as its united capital.

However Prime Minister Rabin has indicated that Israel will not announce gestures to Palestinians until after they announce their intention to attend the peace talks in Washington.

Senior Palestinian officials have on their part announced their commitment to the peace talks, hinting that the deportees are no longer an issue that blocks the peace process.

"Our objective is eventually to go," Nabil Sha'ath, chief PLO advisor to the Palestinian negotiators said in an interview published in the "JERUSALEM POST" Thursday. He said there were no outstanding obstacles, only "different stages of phrasing and rephrasing" of Israeli intentions.

The United States, cosponsor of the talks with Russia, was reported to have brokered a compromise deal, under which Israel would announce some concessions once the Palestinians announce their participation.

The new U.S. Government has played an important role in pushing the peace process. It appears to be supportive of the Jewish state in dealing with the deportees issue. The U.S. support, analysts said, was in a way meant to help the Rabin government, making it easier for it to make further concessions, as his symbolic gestures and negotiations on the shape of Palestinian autonomy have alarmed the hardliners at home who oppose the peace talks and territorial concessions.

On the other hand, the United States, according to news reports, will issue statements confirming that UN Security Council Resolutions 242 and 338 form the basis for the peace talks, once the Palestinians announce their participation.

The United States said Wednesday that the U.S. would play a new role of "full partner" and "new active role as an intermediary and honest broker."

It said that the consultations with Arab delegations have "laid the ground work for seriously engaging on substance when the negotiations resume."

Now it seems it is a question of who will make the announcement first, the Palestinians or the Israelis.

PLO chairman Yasir 'Arafat said Wednesday the Palestinians will return to the peace talks with Israel only on terms set by the Palestinians themselves instead of by anyone else.

"When we go to negotiations, it will not be from a position of weakness," he said. Peace was not merely in the Palestinians' interest, but also in the interest of Israelis, the U.S., Europe and the whole world at large, he stressed.

With all the Israeli gestures and U.S. assurances, Syria, Jordan, Lebanon and the Palestinians are expected to make their final announcement on participation at the end of their foreign ministers' two-day meeting in Damascus that begins today.

## United States & Canada

### Shanghai Group To Recruit Students in U.S.

OW1404134593 Shanghai People's Radio Network in Mandarin 1000 GMT 14 Apr 93

[From the "News and Weather" program]

[Text] Shanghai authorities sincerely welcome all well-trained students and personnel who return from studies abroad to come to Shanghai, where they can give full play to their talents. A recruitment group from the Shanghai Municipal People's Government will leave for six U.S. cities, including New York and Washington D.C., from 16 April to 1 May to recruit personnel studying in the United States. According to a news conference held by the recruitment group today, the group will enlist, among others, students who have



graduated from foreign colleges or institutions of higher learning, personnel who have been granted long-term or permanent residence status in or reentry permits to the United States, and visiting scholars who are qualified to work in professional and technical positions of middle or higher level at home and are now studying in the United States. Students who return from studies abroad to work in Shanghai can live in Shanghai permanently or be hired on a short-term basis. They can also invest in or set up enterprises and institutions in Shanghai. Shanghai will offer special preferential treatment to students who work in the municipality after returning from studies abroad in such areas as salaries, housing, job titles, freedom of entering and leaving the country, arrangements for dependents, education for children, freedom of movement, scientific research projects, and the establishment of companies.

#### **U.S. Firm Urges Separating MFN, Diplomacy**

*OW1604014893 Beijing XINHUA in English 0106  
GMT 16 Apr 93*

[Text] Washington, April 15 (XINHUA)—Boeing Co., America's leading exporter, asked the Clinton administration here today to drop the link between the most favored nation (MFN) trading status with diplomacy.

John Hayden, spokesman of the Seattle-based aircraft maker, made the remarks at a hearing on global competitiveness of the International Trade Commission.

Noting that the overseas market for Boeing had moved from Europe to Asia, especially China, the spokesman asked the White House not to "hold hostage" its MFN trading status in pursuit of foreign policy goals.

"There is no doubt in our mind that our access to this market will be compromised if MFN is not extended or is legislatively conditioned," the spokesman stressed.

China is a large emerging market for Boeing. The Clinton administration, which said it would link the country's MFN status in the U.S. with its human rights record, will review China's MFN status by early June.

Last Friday [9 April], China placed an order for 20 Boeing 737 jetliners and one Boeing 757 jetliner at a total price of about 800 million U.S. dollars. The order was the largest from overseas clients so far this year by Boeing.

Up to now, China has bought and leased a total of 215 Boeing airplanes worth more than 10 billion dollars.

"The issue of holding hostage most-favored nation trading status to promote a broad set of U.S. policy goals in China clearly illustrates the potential economic consequences—for Boeing and its workers—of this type of policy," Hayden said.

According to a report from the ASSOCIATED PRESS, Boeing estimated that China would pay 40 billion U.S. dollars in new airplanes in the next two decades.

Boeing estimated 65 percent of its high-technology wares will be sold to overseas airlines in the future.

In the wake of recent economic recession, U.S. aircraft manufacturers and airlines are bogged down in severe financial difficulties. Many orders for new planes have been canceled and tens of thousands of workers laid off.

### **Central Eurasia**

#### **Yeltsin Appoints Lobov First Vice Premier**

*OW1504145093 Beijing XINHUA in English 1444  
GMT 15 Apr 93*

[Text] Moscow, April 15 (XINHUA)—President Boris Yeltsin today appointed Oleg Lobov as first vice premier, relieving him of his duties as chairman of the expert council under the president of the Russian Federation.

#### **Yeltsin Sets Conditions on Troop Withdrawals**

*OW1604062193 Beijing XINHUA in English 0253  
GMT 16 Apr 93*

[Text] Moscow, April 15 (XINHUA)—President Boris Yeltsin told a group of writers today that Russian troops will not withdraw from Estonia, Latvia and Abkhazia until Russia's conditions are met.

In Estonia and Latvia, he said, Russian troops would remain as long as those countries failed to improve the human rights condition of their Russian speaking residents.

He said Russian troops will not withdraw from Abkhazia unless Georgian troops withdraw from there first.

"If Georgian forces open fire with one bomb, we'll fire two in return," he said.

Yeltsin also told the meeting of writers that the West now understands that the April 25 referendum he called to determine whether the presidency or the parliament should rule Russia is crucial not only to Russia but also to the whole world.

A draft of a new constitution now being formulated, he said, would establish two chairmen for the Soviet of nationalities and republics instead of the single chairmanship of the Supreme Soviet of the Russian Federation.

#### **Russian Parliament Ratifies CIS Charter**

*OW1504131893 Beijing XINHUA in English 1256  
GMT 15 Apr 93*

[Text] Moscow, April 15 (XINHUA)—The Russian parliament today ratified the charter of the Commonwealth of Independent States, which transforms the 10 members of the organization into a closely integrated formal alliance.

In a joint session, both houses of the Supreme Soviet ratified the charter, which was drawn up at the CIS summit in the Belarus capital Minsk on January 22.

First Deputy Foreign Minister Anatoliy Adamishin said that the charter aimed to create a zone of cooperation in the economic, humanitarian and other fields in the former Soviet Union.

He said that it was "more proof that the Commonwealth is moving towards a civilized divorce but...towards integration." [sentence as received]

The charter calls for close defense, economic and political cooperation among states. It was signed by only seven members of the commonwealth in Minsk and Russia became the second member to ratify it.

#### **Trial of 1991 Coup Plotters Adjourns Indefinitely**

OW1604093093 Beijing XINHUA in English 0909  
GMT 16 Apr 93

[Text] Moscow, April 16 (XINHUA)—The trial of 12 former Soviet leaders accused of staging an abortive coup in August 1991 against then President Mikhail Gorbachev was adjourned indefinitely because one of the accused fell sick, TASS reported today.

Aleksandr Tizyakov, former head of the Association of State Enterprises, collapsed in the court room and was hospitalized.

According to Russia's criminal code, the trial will resume only after doctors provide an official health certificate on Tizyakov which allows him to face the charges.

Lawyers told TASS that even if the court rules to stop the trial of Tizyakov and to continue the trial of other coup plotters, the judges will need certain time to get a statement from the doctors confirming that the accused cannot appear in the court.

The Russian Supreme Court began the trial of the coup plotters on April 14.

### **Northeast Asia**

#### **Li Peng Meets Japanese Businessmen in Shanghai**

OW1504132193 Beijing XINHUA in English 1307  
GMT 15 Apr 93

[Text] Shanghai, April 15 (XINHUA)—Chinese Premier Li Peng said here today that the economic and trade cooperation between China and other countries is conducted on a mutually supplementary and mutually beneficial basis.

He added that the purpose of gaining foreign currency by export is to import advanced technology and equipment as well as raw materials which are necessary for China's modernization.

The premier, who is midway through an inspection here, made the remarks during a meeting with a delegation from the Marubeni Corporation of Japan.

Li said that to conduct economic cooperation with China holds many prospects since the country is now undertaking modernization construction and implementing the reform and opening policy.

He said China welcomes foreign countries to invest in China, in particular to participate in the construction of infrastructure.

He told the visitors that the development of the Pudong area near Shanghai is one of the key projects in the years to come, and he hoped that the Japanese corporation will further develop economic cooperation with the Chinese side.

The Japanese visitors have been here as guests of the China Council for the Promotion of International Trade.

The Marubeni Corporation has been active in expanding trade relations with China.

#### **Construction Minister Meets Counterpart in ROK**

OW1504140893 Beijing XINHUA in English 1311  
GMT 15 Apr 93

[Text] Seoul, April 15 (XINHUA)—China and South Korea have agreed to seek ways to jointly participate in construction projects in third countries as well as their own.

This was decided here during talks between visiting Chinese Construction Minister Hou Jie and his South Korean counterpart Ko Pyong-u.

Concrete methods for their cooperation will be worked out jointly by the Korea Overseas Construction Association, the China State Housing and Real Estate Development Corporation and the China State Construction Engineering Corporation.

The two ministers also agreed to regularly exchange information on land policies and related laws, and to hold talks annually on the urban and housing sectors to facilitate their cooperation.

Earlier this year in Beijing, the two countries signed a memorandum of understanding on bilateral cooperation in construction projects.

Hou and his party arrived here on Wednesday [15 April] for a week-long visit.

## Southeast Asia

### Interview With Visiting Thai Commerce Minister

*BK1604103793 Beijing China Radio International in Thai 1330 GMT 15 Apr 93*

[Interview with Uthai Phimchaichon, Thai commerce minister, by a station correspondent during the minister's 11-14 April visit to Beijing—recorded]

[Text] [Correspondent] Greetings, Your Excellency, on the occasion of Songkran [traditional Thai New Year]. I wish you joy and happiness. Your excellency is on a visit to China at the invitation of whom? Is this your first visit? What is your impression of the current visit?

[Uthai] Thank you for your greetings on Songkran, which is the traditional Thai New Year. This is my third visit to China. The first visit was while I was the president of the House of Representatives at the invitation of my Chinese counterpart. I also had the opportunity to pay a courtesy call on President Li Xiannian. The second visit was as a member of a private delegation to observe investment in agricultural machinery in a north-eastern Chinese province. The current third visit is at the invitation of His Excellency Li, foreign economic relations and trade minister.

I am impressed by the rapid changes in China in two areas. First, I am impressed by the capability evident in agricultural production, particularly grain, to meet consumer demand. A surplus is even being achieved in some crops, such as rice, which is exported. In the past, China had to import rice every year. In the past two years China has been able to achieve a surplus in rice production. Second, I am impressed by semi-industrial production which has drawn huge foreign investment in addition to local sector investment. All of this has helped China to register a trade surplus with many countries. This can be considered a success for the economic development plan, and this success has been achieved earlier than targeted.

[Correspondent] I have been informed by the economic department that the purpose of your current trip is to promote and strengthen economic and trade cooperation and exchanges between China and Thailand. What successes have you achieved?

[Uthai] We have met with the minister directly in charge of this field, Mr. [name indistinct]. We explained to him that Thailand has high potential to facilitate foreign investment. ASEAN has agreed to implement the AFTA [ASEAN Free Trade Area] scheme which will reduce tariffs among the member countries in order to achieve tariff equity. Tariffs have been reduced to no more than five percent. This will benefit investment in the region whose consumers total more than 300 million. Thailand is at the center of ASEAN. It has modern and efficient infrastructure, such as ports, roads, electricity, and telephones. It is a good place to invest, and wages are not high. We use the value added tax system, which is

uniform. Some Chinese people have invested in Thailand, and I urge more to come in order to create jobs and strengthen the economy of both China and Thailand.

Many Thai people have invested in China. I talked to Mr. [name indistinct], who agreed that more investment from Thailand is desirable. We Thais agree with this view, because with its population in excess of 1 billion China is a huge market. In particular, I explained to the Chinese minister that China uses many bicycle and car tires that are not to international specifications. Raw materials can be brought in from Thailand, Malaysia, and Vietnam to produce tires in Thailand. It would be expensive to bring raw materials into China. But if a tire factory were to be set up in Thailand, Thailand would become the center. Although Malaysia has rubber, Thailand has much rubber too and is currently the world's biggest rubber producer. If a factory is set up in Thailand, rubber can be brought in from Malaysia, Vietnam, and Thailand itself which would reduce transport costs and hence lower production costs. Tire specifications can be tailored to Chinese requirements.

Regarding oil, China already drills for its own oil for domestic consumption. But if part of the oil were sold abroad, China would earn considerable revenue. If China sets up a production facility in Thailand, it could find many customers in the surrounding region. These are some of the interesting examples I brought up. There are interesting things in other fields as well.

[Correspondent] What is your impression of the future of economic and trade cooperation and exchanges between Thailand and China?

[Uthai] We must strengthen cooperation. We have a joint economic commission which meets annually. In the future we will have to bring Thai and Chinese businessmen together more often at government initiative. In Thailand we have the Industrial Council, which represents the producers; the Board of Trade, which represents the sellers; and the Bankers Council, which represents the financiers. If we can bring the people in these three groups together to China then we can see what investment can be made. These people can meet with their Chinese counterparts to discuss matters of mutual interest. If this can be done, I feel that cooperation will move forward quickly. If a single member of the private sector comes to China, then things will not move as quickly. Members of the government who merely provide facilities, and not the producers themselves, would not be able to get things moving. This is how I feel about how to effectively promote cooperation.

[Correspondent] On behalf of Radio Beijing correspondents, I hope that you will continue to enjoy your visit and return home safely.

[Uthai] Thank you. I will convey to the cabinet the friendship I experienced during my current visit. If I have the opportunity, I will inform the people about the details of our visit.



## **Boats Seize Vietnamese Ships Leaving Hong Kong**

*HK1604023093 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Apr 93 p 1*

[Report by Greg Torode]

[Text] Chinese patrol boats waiting just outside Hong Kong waters last night pounced on three Vietnamese ships trying to sail from Hong Kong in convoy in a vain bid for protection.

Last brief radio messages from the Vien Dien, Phu Ninh and Song Cam 04, received by the Marine Department's Vessel Traffic Centre suggested the small coastal freighters had been seized.

Reports described patrol boats chasing the ships to within four nautical miles of Po Toi Island at about 6 pm, with armed officers boarding at least two of the ships.

No reports of injuries have been received.

It is believed all three left Yau Mai Tei legally, with port clearance and full cargo manifests detailing goods, including second-hand cars and electrical appliances

The news is being seen as further evidence of the strength of China's shipping intelligence network within Hong Kong, with the Public Security Bureau knowing the exact movements of targeted ships.

The ships appear to be the latest victims of official Chinese anti-smuggling crackdowns against trade from Hong Kong to Vietnam, involving mainly Vietnamese companies and Vietnamese flagged ships.

Earlier raids last spring resulted in unsuccessful British and Hong Kong demands for clarification, raised in London and Beijing.

Twelve ships are currently under detention in high security at a Chinese military base in Yantian Harbour on the Guangdong coast, some of the 18 seized so far this year after legally leaving Hong Kong.

## **Singapore Premier Interviewed Prior to Visit**

*OW1604085393 Beijing XINHUA in English 0820  
GMT 16 Apr 93*

[Article by Cai Ximei: "Singapore To Explore New Opportunities in China"]

[Text] Singapore, April 16 (XINHUA)—Singapore Prime Minister Goh Chok Tong told XINHUA yesterday that his country is to explore new areas of investment in China.

He said that the economic ties between Singapore and China "are the most well established aspect of our relationship. Trade and investments are healthy."

Goh made this remarks at his office in an exclusive interview with XINHUA NEWS AGENCY.

As of next Monday [19 April], the prime minister will pay a ten-day official visit to China at the invitation of Chinese Prime Minister Li Peng. Although it will be the seventh visit to China, it is his first official visit since he became the prime minister of Singapore in November 1990.

"I will renew my friendship with Chinese leaders and raise the level of economic cooperation between the two countries. I hope to get the Chinese leadership's support for the new projects that Singapore is interested in," he said.

"Singapore is now the 6th largest foreign investor in China. China has vast reserves of natural resources and a talented and hardworking people. Singapore can help introduce new management, techniques and capital and provide an interface with other countries," Goh said.

"We are encouraging our entrepreneurs to invest in the region. There is a natural synergy between China and Singapore," he added.

## **Views Asia-Pacific Issues**

*OW1604094293 Beijing XINHUA in English 0852  
GMT 16 Apr 93*

[Article by Cai Ximei: "Asia-Pacific Must Find Creative Means To Manage Changes, Says Singapore PM (Prime Minister)"]

[Text] Singapore, April 16 (XINHUA)—The challenge for economic development in the Asia-Pacific region is to find creative means of managing the changes and integrating the powerful new economic centers into a predictable structure of relationships, said Singapore Prime Minister Goh Chok Tong.

Goh made the remarks at his office yesterday [15 April] in an exclusive interview with XINHUA NEWS AGENCY before his first official visit to China next Monday [19 April].

Barring a major catastrophe, Goh said, "The Asia-Pacific is likely to grow relatively faster than most other regions well into the next century. There is economic complementarity among our countries. This will help us sustain each other's growth."

However, Goh noted that "growth rates around the Asia-Pacific have not been even. On the eastern rim, North America, that is the United States and Canada, accounted for 37 percent of world GDP in 1965. By 1990 this declined to about 26 percent. Even with Mexico in a North America Free Trade Area, its share is still under 30 percent.

"In contrast, Northeast and Southeast Asia's share of world GDP nearly doubled in the same period from below 10 percent in 1965 to 18 percent in 1990. Japan

alone increased from 4.5 percent of world GDP in 1965 to more than 13 percent in 1990.

"China, a reunified Korea, ASEAN and Indochina also have enormous potential," he said.

"This success of the East Asian economies, particularly those of Japan and the new industrial economies, has created complications. For example, it has required painful adjustments and dislocations in other regions, especially in the U.S. and Europe," Goh said.

He noted that "the growth of new centers of economic power in the world will inevitably lead to geopolitical changes. Around the Pacific rim, states are reorientating their relationships with each other to reflect the evolving distribution of power."

"Change is inevitable. Some stresses and strains cannot be avoided," he added.

He said that he could not predict how these changes would work themselves out. "But it could be very unsettling for everyone if not handled carefully," he said.

#### **Bank Secures Singapore Loan for Xiamen Plant**

*OW1504140793 Beijing XINHUA in English 1257  
GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—The Agricultural Bank of China secured a 15 million U.S. dollar loan from the Singaporean Tat Lee Bank Ltd. yesterday.

The funds will be used to introduce advanced technology and equipment from Switzerland for a polyester fibre factory in Xiamen, one of China's special economic zones in eastern Fujian Province.

It was the bank's first entry into the Singaporean financial market. Previously its international dealings have been mainly through Hong Kong and Japan.

In recent years the bank has signed 20 loan agreements involving more than 200 million U.S. dollars which has been applied to dozens of key state projects.

The bank is now undertaking credibility assessment in accordance with international practice in order to issue securities abroad.

#### **New Zealand Trade Mission Leaves for Visit**

*OW1504112693 Beijing XINHUA in English 1105  
GMT 15 Apr 93*

[Text] Wellington, April 15 (XINHUA)—A 15-member trade mission left Auckland today for China with a view to tapping the great potential of NZ [New Zealand]/China economic cooperation and trade.

Headed by Dick Christie, chief executive of the New Zealand Trade Development Board, the delegation is the

first to China this year but the third in the past year, reflecting New Zealand's efforts to shift its trade focus to China.

The mission is expected to discuss with their Chinese counterparts "in more detail" way and hopes to conclude some "concrete" deals in economic and technological cooperation and trade, a member of the delegation told XINHUA.

Among the delegation members are some importers and exporters specializing in tannery and leather, dairy products and meat, timber, chemical products and real assets.

Bankers also joined the mission, hoping to cooperate with Chinese bankers while providing fund for NZ importers and exporters in their moves to step further into China and other countries in Asia.

### **Sub-Saharan Africa**

#### **Qian Qichen Receives Mauritian Foreign Minister**

*OW1504105393 Beijing XINHUA in English 0923  
GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that to establish a new political and economic world order, the Five Principles of Peaceful Co-existence should become norms guiding country-to-country relations.

Only by adhering to this approach can the world achieve stability, he added.

Qian made the remarks during his talks with Paul Berenger, visiting minister of foreign affairs of the Republic of Mauritius, at the Diaoyutai State Guest-house.

China does not seek hegemony, nor does it interfere with the internal affairs of other countries, Qian said, adding that China constitutes a factor for stability in Asia and the rest of the world.

Qian expressed satisfaction with the smooth development of relations between China and Mauritius.

Today is the 21st anniversary of the establishment of Sino-Mauritian diplomatic relations; Berenger's current visit is therefore very significant, Qian said. He believed that the visit would further promote the development of bilateral ties.

Qian expressed appreciation with the one-China policy adopted by Mauritius, and with efforts made by the Mauritian Government in strengthening regional cooperation and establishing a peace zone in the Indian Ocean.

Berenger said that the Mauritian government will continue its one-China policy and attaches great importance to its relations with China.

He congratulated China on its achievements, and added that Mauritius appreciates the increasingly important role China is playing in international affairs.

Berenger arrived here yesterday at Qian's invitation.

#### **Liaison Official Meets Minister**

*OW1504114193 Beijing XINHUA in English 1120  
GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—Li Shuzheng, head of the International Liaison Department of the Central Committee of the Communist Party of China (CPC), met with Paul Berenger, visiting minister of foreign affairs of Mauritius, and his party here today.

The two sides had a cordial discussion on bilateral relations.

Berenger arrived here yesterday at the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen.

#### **West Europe**

#### **Wu Yi Receives Irish Trade Minister McCreevy**

*OW1504122393 Beijing XINHUA in English 0921  
GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—Wu Yi, minister of foreign trade and economic cooperation (MOFTEC), met with visiting Irish Minister of Trade and Tourism Charles McCreevy here today.

The two sides exchanged opinions on further enhancing bilateral economic and trade relations.

Wu briefed the Irish minister on the achievements China has made during the past decade and more since it adopted reform and open policies.

She said the Chinese Government has all along paid great attention to the development of stable and long-term bilateral economic and trade relations with Ireland on the basis of equality and mutual benefit.

Although late to develop, the bilateral economic and trade relations have witnessed rapid growth since the establishment of diplomatic relations between the two countries, Wu added.

She noted that such bilateral ties have been upgraded from simple commodity trading to economic and technological cooperation and the fields of such cooperation are expanding.

She also said that there is a great potential for the further development of bilateral trade since the two countries are complementary to each other in this respect.

McCreevy said that China's major achievements in economic construction are impressive, especially the high-speed economic growth in the wake of the economic reform.

He said he believed that the expanding cooperation between the two countries in investment and trade is beneficial to both sides.

The two ministers also explored bilateral cooperation in aviation, investment and other fields in details.

The Irish minister and his entourage arrived in Beijing yesterday at the invitation of MOFTEC, and they will leave April 18.

#### **Qian Qichen Meets McCreevy**

*OW1604085293 Beijing XINHUA in English 0821  
GMT 16 Apr 93*

[Text] Beijing, April 16 (XINHUA)—Qian Qichen, Chinese vice-premier and foreign minister, met with visiting Irish Minister of Trade and Tourism Charles McCreevy here today.

They exchanged views on bilateral relations and other issues concerning the interests of both sides.

Qian said China and Ireland maintain a good economic and trade relationship, and bilateral economic and trade cooperation, especially in aviation, has fine prospects.

He noted that every country, large or small, has its own advantages. He hoped that more Irish entrepreneurs and enterprises would come to China to engage in economic and trade cooperation.

McCreevy said the long-term friendly relationship between China and Ireland has been strengthened during the past few years. The Irish Government has all along paid great attention to its relations with China and appreciates China's reform and open policies.

He said he hoped to see the further strengthening of bilateral economic ties and expanding of the scope of bilateral economic and trade cooperation.

During their talks Qian praised Ireland for its long-term struggle for national independence and sovereignty.

He said that China adheres to a foreign policy of peace and is against the establishment of and participation in military blocs of all forms.

He asked McCreevy to convey his respects to Irish leaders.

McCreevy said that Ireland supports the maintenance of world peace and stability, and he praised China for its role in this regard.

McCreevy and his entourage arrived here April 14, at the invitation of China's Ministry of Foreign Trade and Economic Cooperation. They are scheduled to leave on April 18.



### **NPC's Qin Jiwei Meets German Parliamentarians**

*OW1504141493 Beijing XINHUA in English 0623  
GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—Qin Jiwei, vice-chairman of China's National People's Congress (NPC) Standing Committee, met and had a friendly conversation with a working group from the Committee for Foreign Affairs of the German parliament (Bundestag) here this morning.

Headed by Heribert Scharrenbroich, member of the parliament, the group arrived here April 12 on a goodwill visit to China as guest of the NPC Foreign Affairs Committee.

### **Siemens Starts Digital Exchange Venture**

*OW1504130693 Beijing XINHUA in English 0914  
GMT 15 Apr 93*

[Text] Shanghai, April 15 (XINHUA)—The transnational enterprise Siemens A.G. has set up another joint venture in Shanghai, China's leading industrial center.

The Shanghai Siemens Digital Program-Controlled Telecommunications Systems Co. Ltd. has a total investment of 35 million marks (about 21 million U.S. dollars), of which 51 percent comes from Siemens, 21 percent from the Shanghai Aijian Company Ltd and 28 percent from the Shanghai Xinguang Telecommunications Plant.

The enterprise is expected to produce Hicom 300 series digital program-controlled telephone exchanges, which will be sold first on the Chinese market and later exported.

This is the twelfth joint venture set up by Siemens in such Chinese cities as Beijing, Shanghai, Nanjing and Harbin.

### **Finnish Delegation Shows Interest in Trade Zone**

*HK1504060493 Beijing CHINA DAILY in English  
15 Apr 93 p 2*

[By staff reporter Wang Yong: "Finns Seek a Foothold in Northeast Commercial Hub"]

[Text] Finland wants to invest in a huge free trade zone that will border China, Russia and the Democratic People's Republic of Korea.

A senior Finnish Government official said in Beijing yesterday that Finnish enterprises sought a foothold in

the Tumen River Delta, expected to become a commercial hub of Northeast Asia by the turn of the century.

Veli Sundback, Under-Secretary of State with the Finnish Ministry for Foreign Affairs, said his government had already granted the project a considerable sum and that Finnish companies were "very interested" in the zone.

Sundback heads a government and business delegation seeking expanded trade with, and greater investment in, China.

He hoped the current 10th session of the Bilateral Trade and Economic Co-operation Commission in Beijing would divulge new opportunities for both Finland and China.

Shi Guangsheng, Chinese assistant minister of foreign trade and economic co-operation, said he hoped Finland could gear up to invest in China's agriculture, infrastructure construction and high-tech sectors.

Potential Finnish investment in the delta is apparently in the spotlight at the meeting.

Analysts say potential Finnish exports to, and investment in, the area could bolster Finland's economy which has experienced negative growth in the past two years.

Sundback blamed this largely on a stagnated export trade to its traditional markets in Eastern Europe and some West European nations.

But Finnish exports to China have picked up steadily, creating a surplus for Finland.

According to Chinese statistics, bilateral trade last year was \$345 million, up 25 percent over 1991. Finnish exports totalled \$250 million, up almost 30 percent.

The Tumen River project could promise more for Finland. It spans 1,000 square kilometres and is supported by a United Nations Development Programme investment of \$30 billion.

It has been agreed that the emerging free trade hub will be screened by the international community.

The co-ordinating committee for the project is expected to meet in Seoul next month.

South Korean and Japanese consortiums are likely to help pool a large proportion of the money needed for the project.

Sundback and his delegation will also visit Guangdong and Fujian provinces in the south.

## Political & Social

### Public Security Minister on Law, Order

HK1504141293 Beijing RENMIN GONGAN BAO in  
Chinese 27 Mar 93 pp 1, 2

["Interview" with Public Security Minister Tao Siju by staff reporters Ma Yongmei (7456 3057 2734) and He Tiegua (6320 6993 0342): "Tao Siju on Public Order and Building Up Contingents of Public Security Police"]

[Text] At the First Session of the Eighth National People's Congress [NPC] and the First Session of the Eighth Chinese People's Political Consultative Conference [CPPCC], Public Security Minister Tao Siju, sitting in one of the seats reserved for ministers, became a popular person chased by Chinese and foreign reporters. Recently, we asked Minister Tao Siju to talk about his own opinion on some questions which concerned the deputies to the NPC, the CPPCC members, and the masses of all walks of life.

[RENMIN GONGAN BAO] Some people are not quite satisfied with the current situation of public order. What is your opinion?

[Tao] The phenomenon of crime and the problem of public order is a comprehensive reflection of various kinds of social conflicts as they develop to a certain stage. Our country is currently in a period of great social changes. On the one hand, these changes have brought about prosperity and affluence; on the other hand, new conflicts and problems have emerged in the course of adjustment of production relations and various kinds of interest relations. For example, some places and persons have become rich first, as a result, some other persons have become particularly unbalanced psychologically, and some persons do not hesitate to take the risk in stealing, robbing, abducting, and cheating, and some even do not care about their lives. In addition, some visible and invisible influences from abroad have also caused an increase in violent cases such as murder, robbery, and armed crimes. What the people hate most is violent crime.

Our goal of economic restructuring is to build a socialist market economy system. But a sound market economy system cannot be built instantly, and it requires many measures and systems to support it, as well as a very long process. At present, the set of social management mechanisms which was formed in the past, including public order management, crime prevention, administrative, legal, and other social insurance mechanisms, has failed to suit the new situation, and the mechanisms are not coordinated. The old balance has been broken, but a new balance has yet to be built, therefore many loopholes and chaotic phenomena have emerged. This is a temporary phenomenon which cannot be avoided as the society develops. When this is reflected in the area of public order, we see an increase in lawbreaking and criminal phenomena, which can hardly be prevented.

Development of a market economy has also brought about changes in values and in the concept of what is right and wrong, amid these changes, sometimes wrong is taken for right, and this can be regarded that to a certain degree, the common criterion by which people decide what is right and wrong has changed. This makes the work in preventing and handling crimes more complicated and difficult. For example, the problem of stealing from power facilities, telecommunication facilities, factories and mines, railways, and even military facilities is very serious, but some people involved in these cases think that if they do not grab something, then they will not get anything, and they do not consider what they are doing as destructive criminal activities. Some people understand that these are criminal activities, but they pretend not to see it, and this involves the problem of ideology, concept, and spiritual civilization construction. In the course of changing the operational mechanisms within enterprises, because the entire set of social management mechanisms has not changed completely, and because some social insurance systems have not been formed, the people's concept that the state should take care of everything cannot work, and this leads to some complaints and petitions to the government. No matter in which country, it is impossible for its central government to take care of everything.

Concerning these conflicts, various localities and units must work together to implement the party's basic line, do two kinds of work simultaneously and equally firmly, and cooperate to do the work well. Otherwise, many conflicts will mingle together and eventually manifest themselves as problems of public order and social stability.

At present, the biggest threat felt by the people is robbery inside their houses. Furthermore, the violent tendency has swelled, and very often criminals have beaten up and wounded and even killed people in order to steal or rob their money and properties. You just mentioned a deputy to the NPC from the Hong Kong and Macao region who thought that protection fences installed inside the taxis on the mainland gave people a sense of insecurity. This is understandable. But I think, as a method to prevent crimes, installation of antitheft doors in residential houses and of iron protection fences inside taxis are a practical method in a certain period of time.

Concerning the evaluation of the current situation of public order, I think we should have a comprehensive analysis taking into consideration the information from various sides. When a certain district has more cases than in the past, it does not mean a bad situation of public order there. In the places where there is no traffic, where the population does not move, and where the economy is undeveloped, the number of cases is naturally small. When the economy is developed, and people move in great number, the number of cases is generally larger. But we cannot retreat to the closed and backward situation. Up to now, there are still some kindhearted comrades who like to use the situation in the fifties and sixties as a criterion, to judge whether the current

situation of public order is good or bad, but this is not scientific. Over the past several years, the whole party and governments of various levels have done a great deal of work in safeguarding social stability and comprehensively rectifying the public order, and public security policemen in the whole country have worked day and night and scored certain results, checking the tendency in which cases increased continuously and rapidly in the previous several years. Judged from the background that the society has undergone great changes, a majority of regions in our country at this time have good public order. According to an assessment of the recent surveys by 11 provinces and autonomous regions of the 1,115 cities under their jurisdiction, 779 have good public order, accounting for 69.9 percent of the total; 287 have fair public order, accounting for 25.7 percent of the total; and 49 have poor public order, accounting for only 4.4 percent of the total. Our country's situation of public order is much better than a great many other countries in the world, and this is also admitted by many foreigners. We should say that this is a hard-won situation. Of course, the whole police force should still struggle hard for a better result.

[RENMIN GONGAN BAO] Quite a number of people in the society have complained about the quality and law enforcement standard of some people's policemen. What measures will be taken by the Public Security Ministry to tackle this? Why are you so resolutely opposed to the running of businesses or part-time jobs by the public security police?

[Tao] A great majority of the people's police in the public security organs are loyal to their duties and they diligently serve the people, however, there are indeed some people's policemen whose quality is not high and who have low standards of law enforcement, and there is an extremely small number of corrupt elements. When the persons of various circles generally affirm this contingent of ours, they express dissatisfaction with the behavior of a small number of the people's policemen, and they have a point. We welcome the criticism and supervision from various sides.

There are many reasons for the low quality of some people's police, generally speaking, it is a problem caused by the lack of a management system which adapts to the new situation and suits the nature and special features of public security organs. The public security management system we are currently using was formed in the middle of the fifties, and although we have taken some measures over the past 10 years or so to implement some changes, there has not been a major breakthrough. In the past few years, the Public Security Ministry made a major effort to provide training to heads of county-level public security bureaus, various localities also generally strengthened training of heads of police substations and of people's policemen, doing a great deal of work. However, a series of systems of supervising, awarding, and dismissing the people's policemen have not yet been established and perfected, and there is a lack of incentive mechanisms within the force. It is necessary

to step up efforts to solve these problems through reform. At present, efforts have been stepped up to draft the "People's Police Law." In the future, all new policemen must receive the necessary professional training before they "enter the door" and man the post, and incumbent policemen must take lessons to make up for inadequacies in a planned manner, and renew their knowledge or learn new knowledge from time to time. Those who fail to meet standards after the training must be resolutely dismissed. The building of such a mechanism is in accordance with the objective law. If we can resolutely do this for several years, I believe the overall quality of the public security police and cadres in the whole country will improve markedly. Of course, hindered by the traditional concepts and habits which we have followed for several decades, there will be many difficulties in the reform, but not carrying out the reform means a dead end. We have made up our mind to actively, steadily, and scientifically carry out the public security reform.

At present, some persons say public security policemen can run businesses, buy shares, and seek part-time jobs, adding that this is a reform. Some comrades speak plausibly and at length, to show that "since public security organs have such difficulty and the cadres and policemen have low wages," this is a way out, but this is wrong. I am resolutely opposed to this. It is determined by the nature of public security organs that public security cadres and police are not allowed to run businesses, buy shares, do part-time jobs, and engage in other occupations. If the people's police were allowed to run businesses, then it would be too easy and simple to make money. However, by so doing, we will find it difficult to control incidents such as abuse of power, the whole public security contingent will be destroyed, the nature of the organ of dictatorship will change, and the overall situation of reform and opening up will be seriously undermined. At the same time, public security departments are strictly forbidden to randomly apportion funds from enterprises and peasants and increase the unreasonable burdens on them.

At present, the wages for public security cadres and police are relatively low and cannot compensate for their labor and the danger they face. A folk adage goes: Every family has a difficult book to read. Public security policemen are also members of the society, and face various kinds of actual problems of their own, so they should be understood and cared for. The Public Security Ministry is deliberating ways to further improve the terms of service for policemen, to arouse their work enthusiasm, and at the same time to strictly ban various kinds of corrupt phenomena. The implementation of the system of police ranks is one of the methods, and it embodies the party's and government's care for the people's police. Hard struggle and courageous dedication is the glorious tradition of the people's police. In the new historic period, whether the material rewards can be improved faster or slower, we will still uphold and develop this kind of revolutionary spirit.



### State Council on Unhealthy Tendencies

OW1604022393 Beijing XINHUA Domestic Service in Chinese 0104 GMT 25 Mar 93

[Text] Beijing, 25 Mar (XINHUA)—The State Council recently issued a circular approving and transmitting a report by its Office for Checking Unhealthy Tendencies in Business, entitled: "Report Outlining Work To Check Unhealthy Tendencies in Various Departments and Trades in 1993." The circular urged: In 1993, all localities and departments should continually pay close attention to the work of checking unhealthy tendencies. While taking into account their respective actual conditions, they should earnestly implement the report's guidelines.

The circular went on: Work to check unhealthy tendencies in various departments and trades is an important measure that opposes decadence, strengthens honest government construction, and guarantees smooth progress in reform, opening up, and the modernization drive. We must persistently and unwaveringly perform the work for a long time, achieving results at various stages year after year. Particularly at present, unhealthy tendencies in various departments and trades are still rampant; some problems are still comparatively serious; and the masses continue to express very strong dissatisfaction. We must intensify work on checking unhealthy tendencies, not slacken it.

The circular urged: Governments at various levels and the State Council's various departments should—in accordance with the guidelines of the 14th CPC National Congress and the State Council's requirements—proceed from reality, formulate plans and measures to check unhealthy tendencies in their own localities and departments, and continually carry out the work in a more and more thoroughly.

The "Report Outlining Work To Check Unhealthy Tendencies in Various Departments and Trades in 1993" issued by the State Council's Office for Checking Unhealthy Tendencies in Business is divided into the following seven parts:

—We should correctly evaluate work to check unhealthy tendencies over the past two years, and understand the present seriousness of work to check unhealthy tendencies. Since Premier Li Peng arranged the work to check unhealthy tendencies during the State Council's teleconference on 23 August 1990, and mobilized the whole country to carry it out, various localities and departments have made concerted efforts and done a lot of work for more than two years. Some hot issues and problems—with which the masses have been displeased—have been either preliminarily resolved or somewhat alleviated. However, unhealthy tendencies in various departments and trades are far from being wiped out. While some problems are still quite serious, and some resolved problems have recurred. Meanwhile, the emergence of many new conditions and new problems under the new circumstances have

made work to check unhealthy tendencies more difficult. Therefore, if we relax or stop the work, all efforts over the past few years will have been wasted; consequently, the reputation of the party and government will be severely jeopardized.

—We should continually implement a policy of stressing resoluteness and perseverance and of constantly producing accomplishments at various stages; focus our attention on educational programs and new establishments and make comprehensive efforts to deal with both the root cause and the symptoms of the problem. In checking unhealthy tendencies in various departments and trades, the main targets should be the law-enforcement, supervision, and economic administration departments, and public utilities units. Geographically speaking, the main targets should be big cities. We should pay particular attention to lightening the peasants' burdens and strictly checking unhealthy tendencies in rural areas. Comrades holding leading posts in various departments and trades and all state organ personnel should set an example by their discipline and obedience of laws so that they play leading and exemplary roles in the work to check unhealthy tendencies.

—We should make concerted efforts to continually improve our work in certain specific regards. We should continually strive to check certain common unhealthy tendencies, including the abuse of power to win dinner party invitations and gifts, extortion and blackmail, refusal to provide services unless bribes are paid, and providing special treatment after bribes are received. We should emphatically check the decadent behavior of certain state organ personnel, including asking for and accepting bribes; seeking private gain, and trading power for money. We should pay attention to checking unhealthy tendencies in law-enforcement, supervision, administration departments, and other trades. Their unhealthy tendencies include violating the relevant stipulations of central authorities by obstructing changes in the operational mechanisms of enterprises, and infringing the interests of enterprises and peasants. We should pay attention to resolving unhealthy tendencies in the process of government organizational restructuring and in the transformation of their functions, including the abuse of monopolistic powers over certain trades for private gain. We should continue to stop unhealthy tendencies in party and government organs, including wining and dining with government funds during official activities, and other extravagant and wasteful habits. We should repeatedly and thoroughly resolve recurring and worsening problems that have been settled previously.

—We should focus our attention on education and prevention, and promote self-improvement in various departments and trades. While specifically and properly launching educational programs on the party's basic line and purpose, and on law and discipline, we should also teach cadres, staff and workers vocational

ethics in a planned and systematic manner in accordance with the characteristics of various departments and trades. Various departments and trades should formulate programs, establish their respective image and objectives, and gradually form a set of regular and scientific vocational ethics and behavior standards that conform to their individual characteristics. We should carry out reform and take into consideration our businesses and work, to improve the system that enhances honest and diligent government on the basis of the current laws, regulations, and policies. We should continually promote and improve administrative systems, including the system for "making public the operational procedures and results, and enhancing supervision by the masses"; and the system for providing "a full set of comprehensive services."

—We should actively create the necessary conditions, and take various actions to strengthen the supervision by the masses of people and various social circles over various government departments and trades. Various departments and trades should establish and improve the mechanisms for integrating internal and external supervision, and supervision from above and below, so as to nip any evil in the bud. It is necessary to pay attention to the functions of the mass media and strengthen supervision through public opinion. Governments at various levels should regularly, or on a random basis, solicit opinions to check unhealthy tendencies from the people's congresses and the Chinese People's Political and Consultative Conference [CPPCC] committees, and voluntarily accept their supervision. Furthermore, the governments should also invite representatives from the relevant people's congresses and the CPPCC committees to join in evaluating the work style of various departments and trades, and in inspecting guiding work to check unhealthy tendencies.

—We should further liberate the mind, broaden our concepts, continually sum up practical experience, and seek concrete formats and ways to check unhealthy tendencies in various departments and trades, deepen reform, develop the economy, enhance business development, and do realistic tasks for the masses. We should explore effective ways to prevent and stop unhealthy tendencies by improving our organizational structure, systems, and management on a materialistic basis.

—We should carry out work to check unhealthy tendencies in various departments and trades under a unified leadership of the party committees and governments at various levels. Various localities and departments should establish leadership responsibility systems at various levels, earnestly shoulder their respective responsibilities, issue guidelines to suit different conditions, intensify supervision and inspection, and strictly check unhealthy tendencies in various departments and trades.

### State Council on Transition of Organizations

OW1604054693 Beijing XINHUA Domestic Service in Chinese 0533 GMT 3 Apr 93

[Text] Beijing, 3 Apr (XINHUA)—The State Council General Office recently issued a circular urging various State Council departments to expeditiously and properly perform work in linking newly established and original organizations, and other transition-related tasks to ensure normal working operations.

The circular said: Departments that have made organizational changes and changed their organizations' names since the First Session of the Eighth National People's Congress should use their new names for handling external affairs; however, after the departments have undergone organizational changes, agreements, accords, contracts, creditors' rights, and debts signed by the original organizations with other internal or external parties will still be valid, and they will continue to be implemented by the relevant new organizations. To safeguard the relevant departments' working requirements, the State Council General Office will shortly issue seals to the newly established organizations. In the meantime, if they have to use a seal before receiving the new one, they may use the old one; however, once the new seals are issued, the old seals must be immediately invalidated.

The circular urged: Principal leading comrades of the newly established departments, the departments that have been converted into economic entities or industrial units, and the departments that have been newly established should properly carry out ideological and organization work and earnestly implement the tasks on changing functions and streamlining administration to ensure the smooth progress of the State Council's organizational restructuring. All departments under the State Council and various provincial (regional and municipal) people's governments should actively support and coordinate work on transforming organizations and departments in the organizational restructuring process.

### Sichuan Governor Xiao Yang Defends Zhao Ziyang

HK1604082993 Hong Kong TANGTAI in Chinese No 23, 15 Apr 93 pp 46-47

[Article by Kuan Hsin (7070 3084): "Xiao Yang Makes Fair Remarks About Zhao Ziyang"—first paragraph is TANGTAI introduction]

[Text] Xiao Yang is beloved of the people of Sichuan for his pragmatic work style, outspoken manner, and openness; he is called the "head of the fire brigade" in Sichuan.

Xiao Yang, the new governor of Sichuan, recently made some good remarks about Zhao Ziyang, the former secretary general of the CPC Central Committee who was ousted because of the "4 June" incident. Xiao Yang told a Hong Kong and Taiwan group of reporters who

were visiting Sichuan, that the truth must be sought from the facts concerning Zhao Ziyang, who could not be completely negated and whose mistakes should be clarified. Zhao Ziyang was correct in the area of reform and opening up, which he carried out according to the party's basic line, and he had some merits.

#### **Affirming Zhao Ziyang's Reform and Opening Up**

The student movement in 1986 and 1989 also spread to Chongqing, and Xiao Yang frequently went to higher learning institutes to have dialogues with students and to explain things to them. He told reporters: "I once had a dialogue with more than 10,000 students. At that time, someone asked me who I was representing, and I said: I am the mayor elected by 15 million people in Chongqing and who do you think I represent? But we must return to the problem, which is that young people are prone to go to extremes but their intentions are good. So long as we have the facts and reasons, problems are not difficult to solve."

During the prodemocracy movement in 1989, Sichuan was also deeply affected and the students in Chengdu even set fire to a shopping mall. However, in Chongqing, Xiao Yang adopted a pragmatic attitude toward students; he told them: I will not say you are causing a turmoil but you must not cause a turmoil. Every time the students took to the street, he would send some police cars to clear the way for them and some policemen to maintain order. Therefore, no big disturbances occurred in Chongqing city. After the "4 June" incident, in October 1989, Xiao Yang said on some public occasions that Zhao Ziyang had indeed made some mistakes but he was correct in pursuing the reform and opening up and he had some merits.

#### **Conservatives Boycott Him and He Failed To Be Elected a CPC Central Committee Member**

Because Xiao Yang had some good remarks for Zhao Ziyang on various occasions, the conservatives in the central authorities were offended. Sichuan is a big province, and starting with Li Jingquan in the sixties, its provincial party secretaries have become members of the CPC Central Committee Political Bureau. Xiao Yang, who had been unofficially picked to fill the post of Sichuan CPC secretary before the 14th party congress, was originally recommended as a candidate for alternate member of the Political Bureau. However, due to the boycott by the conservatives in the elections, he eventually failed to be elected a member of the CPC Central Committee and was even ranked last in the list of alternate members for the CPC Central Committee.

However, the failure in the CPC Central Committee elections does not represent the will of the people of Sichuan. At the eighth provincial people's congress in February this year, Xiao Yang, who is 63 years old, was elected governor with a high score of 888 votes. At the moment when the result was announced, loud applause burst out here and there, lasting for a long time. A deputy to the congress at the scene said, recalling the occasion of

the elections, that that was the trust and expectation Xiao Yang earned from the Sichuan people. At that moment, Xiao Yang told reporters: I know I cannot get rich. I only want to do some real things for the people. This vote represents the desires of the 110 million people in the province and I want the people throughout Sichuan to become rich.

Xiao Yang said openly to the Hong Kong and Taiwan reporters: I am the governor but I am not interested in catching up with someone or surpassing them, nor my ranking in the country. What concerns me is how I can let the Sichuan people have small-scale prosperity a few years ahead of schedule.

#### **Promote Reform Proceeding From Reality**

After taking office, Xiao Yang said that, in accordance with Sichuan's actual conditions, the province should attract foreign funds with its domestic market. Sichuan has more than 100 million people and has to import half of the industrial consumer goods from outside the province; its domestic market has great potential and is very attractive to foreign capital. He thought that, except for the projects which are banned by the central government from accepting foreign funds, such as arms and gold, all other projects can be opened to foreign funds, including the domestic market. According to information, Xiao Yang's proposal of "exchanging market with foreign capital" Xiao Yang thought that if Sichuan Province is to open up to the outside world, the first thing it must do is to improve communications conditions. For this purpose, Sichuan will invest 5 billion yuan in building and expanding communication facilities this year. He stressed that in the area of opening up to the outside world, Sichuan will follow the new method of fully opening up its domestic market to attract foreign capital. Sichuan has ample farm products, abundant labor forces, and a relatively good industrial foundation if the communication problem can be solved properly, plus the opening up of its domestic market and adoption of the opening up policy adopted by the coastal regions, Sichuan's investment environment will become very attractive.

Xiao Yang confirmed that Yang Rudai will no longer serve as provincial party secretary because of age problems and that he would resign at the provincial party congress in April. He did not know who would be the new provincial party secretary at this time.

#### **Customs Administration Revises Regulations**

HK1604083593 Beijing RENMIN RIBAO in Chinese  
10 Apr 93 p 2

[By He Xiaorui (0149 1420 4213): "General Administration of Customs Releases Revised 'Detailed Regulations on Enforcement of Administrative Punishments Laid Down in the PRC Customs Law'"]



[Text] Qian Guanlin, director of the General Administration of Customs, recently signed General Administration of Customs Order No. 44, promulgating a revised version of the "Detailed Regulations on Enforcement of Administrative Punishments Laid Down in the PRC Customs Law," which came into being with the State Council's approval. The regulations are effective 1 April 1993.

A comparison with the previous version shows that the revised version of the "Detailed Regulations" contains the following two amendments or supplements: First, the offense of "evading customs tariff by giving false or distorted information about the prices of import and export goods" has been separated from other smuggling offenses and is listed separately as a special item. In this connection, it is provided that anyone who tries to evade customs tariff by giving false or distorted information about the prices of import and export goods is subject to "confiscation of gains derived from such law-breaking behavior" and, at the same time, is liable to "a fine not more than three times the amount of the evaded tariff." Second, the revised version expressly defines the practice of giving false information about import and export goods. In cases where "untrue information is given regarding the description of import and export goods, their quantity, specifications, prices, place of origin, transaction form, consumer country, country involved in transaction, or other items of information which need to be declared," the offender shall be subject to a fine not more than the value of the goods in question or not more than two times the amount of the payable tariff. These amendments are made with a view to more clearly defining the legal grounds for punishment on the behavior of evasion of tariff, to severely curbing smuggling and evasion of customs tariff, to giving full play to the role of customs in regulating imports and exports, and to ensuring the smooth progress of reform and opening up.

### Jiang Zemin, Leaders Attend Hainan Celebration

HK1504120893 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 13 Apr 93

[Excerpts] Dear listeners: A rally marking the fifth anniversary of the founding of Hainan Province and the establishment of Hainan Special Economic Zone [SEZ] is to be solemnly held in Haikou Bingtai Gymnasium at 0900 this morning. [passage omitted]

It is 0858. Now, entering the hall of the celebration rally with vigorous strides are our party and state leaders, including Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the CPC Central Military Commission; Tian Jiyun, member of the CPC Political Bureau and vice chairman of the National People's Congress; Li Lanqing, member of the CPC Political Bureau and vice premier of the State Council; Chi Haotian, state councillor and defense minister; and Hong Xuezhi, vice chairman of the Chinese

People's Political Consultative Conference [CPPCC]. The audience bursts into thunderous applause. [applause]

Also mounting the rostrum radiant with happiness are Ruan Chongwu, Du Qinglin, Wang Xiaofeng, and other leaders of four provincial leading bodies, namely, the provincial party committee, provincial government, provincial people's congress, and provincial CPPCC.

Dear listeners,

The rally marking the fifth anniversary of the founding of Hainan Province and the establishment of Hainan SEZ is presided over by Comrade Du Qinglin, deputy secretary of the provincial party committee and chairman of the provincial people's congress standing committee.

[Begin recording] [Du Qinglin] Dear leaders, guests, and friends,

First of all, let us extend our highest respect and warmest welcome to Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the CPC Central Military Commission, who is present at today's meeting. [applause] [passage omitted]

Now, we would like to ask Comrade Ruan Chongwu, secretary of Hainan CPC Provincial Party Committee and governor of Hainan Province, to address the meeting.

[Ruan Chongwu] Comrades and friends,

During the period of the Second Hainan International Art Festival, we are now solemnly holding this rally to celebrate the fifth anniversary of the founding of Hainan Province and the establishment of Hainan SEZ. On behalf of Hainan CPC Hainan Provincial Committee, provincial people's government, and people of all nationalities in Hainan, I would like to extend our warm welcome to central leaders, and to our guests and friends present at the meeting. [end recording]

After reviewing the remarkable accomplishments attained by the Hainan SEZ over the past several years, Ruan Chongwu continued:

[Begin recording] [Ruan Chongwu] What we have done in construction in the past five years has laid a foundation for our future development. However, because it had a poor foundation to start with, Hainan still has a long way to go, compared with advanced areas, and it faces arduous tasks in a bid to successfully meet the requirements of the central authorities and achieve the lofty goals it has set. We should be aware of and seize opportunities, make full use of our favorable conditions, and speed up the pace of development. In the meantime, we should have the courage to welcome challenges, and face up to and find solutions to problems existing in our work. We firmly believe that under the leadership of the party Central Committee, so long as the people of the

whole province can cooperate in unity, forge ahead, and carry out hard struggles, the Hainan SEZ will surely realize its new goals of struggle. Thank you.

[Du Qinglin] Let us welcome with warm applause Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the CPC Central Military Commission, to give us a speech. [applause] [end recording] [passage omitted]

The rally marking the fifth anniversary of the founding of Hainan Province, and the establishment of Hainan SEZ concluded successfully in prolonged applause and inspiring music.

### Jiang Addresses Rally

HK1604072093 Beijing XINHUA Domestic Service in Chinese 0817 GMT 13 Apr 93

[Jiang Zemin speech at 13 April Hainan rally marking the fifth anniversary of founding of Hainan Special Economic Zone]

[Text] Comrades and friends:

On the occasion of the fifth anniversary of authorizing Hainan Island to become a province and of the founding of the Hainan Special Economic Zone (SEZ), on behalf of the CPC Central Committee and the State Council, I should like to extend warm greetings and kind regards to the people of all nationalities in Hainan and the industrious builders of the Hainan SEZ. I should also like to extend warm welcome and heartfelt thanks to compatriots residing in Hong Kong, Macao, Taiwan, and abroad, and to friends from various foreign countries who have cared for and supported the construction of Hainan SEZ.

The First Session of the Eighth NPC, which has just ended, set and arranged the tasks for the next period. The most fundamental task is for us, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, to enthusiastically, comprehensively, and correctly implement the spirit of the 14th CPC National Congress by seizing upon the favorable opportunity to step up reform, opening up, and the modernization drive; by making concentrated efforts to effect an upswing in the national economy; and by promoting overall social progress. If we work hard to fulfill these tasks, we will be able to breathe new life into economic development in various places across the country, including the SEZ's.

Setting up special economic zones was personally initiated and designed by Comrade Deng Xiaoping. He has been consistently concerned about and supported this brand new undertaking. Setting up special economic zones was also a major policy decision made by our party and state. As windows of opening to the outside world, the SEZ's have always made experiments, blazing new trails for and giving an impetus to other parts of the

country in their efforts to open up to the outside world. They have also made contributions by enriching the theory of building socialism with Chinese characteristics with their valuable experiences. At a time when our modernization drive is surging forward, the SEZ's will continue to play their "vanguard" role and will illuminate the annals with their particular rays of light.

Situated on the coast of the South China Sea, Hainan has unique priorities in natural resources and enjoys promising prospects. In deciding to declare Hainan a province and set up the Hainan SEZ, the central authorities aimed at giving full play to Hainan's strong points and at speeding up its pace of reform, opening up, and economic development. Over the last five years, the large numbers of cadres and the masses in Hainan have conscientiously carried out the principles and policies laid down by the CPC Central Committee and the State Council in line with local conditions; kept opening up new avenues and forging ahead; and have made intensive and pioneering efforts, thus bringing great changes to formerly economically backward Hainan Island. They have built up a large number of infrastructural facilities related to energy, transportation, and telecommunications, which have markedly improved the investment environment and thus attracted many investors from home and abroad; they have greatly enlivened contacts and exchanges between Hainan and the other parts of the country and foreign countries in the economic, technological, and cultural fields; and they have attained the first-step objective of catching up with the average national economic level. I am convinced that, supported by the party and state policies, and enthusiastically joined by various social sectors at home and abroad, the people of all nationalities in Hainan will elevate Hainan's modernization drive to a new level through their continued efforts.

The present external and internal situations provide us with a favorable opportunity to accelerate reform and opening up and concentrate on economic construction. We must seize this opportunity and work in a down-to-earth manner to constantly increase our economic strength and overall national strength. The SEZ's should be run in a more flexible, efficient, and practical way so that they have greater vitality. The SEZ's should continue to serve as "four windows" and continue to advance ahead of other parts of the country in reform and opening up.

The SEZ's should keep watch over the trends in the international market and the process of the world's new technological revolution; upgrade their industrial structure and product mix as soon as possible; transfer their industries into fund-, knowledge-, and technology-intensive ones; make their products more competitive; and make "greater progress" in developing the export-led economy. The construction projects of the SEZ's must be carried out in a planned way and the layout must be rational, to achieve better overall efficiency. It is necessary to vigorously develop tertiary industry, which is knowledge intensive, and to strengthen the SEZ's

overall functions. Hainan has many tourist attractions and is rich in tropical agricultural resources. Vigorous efforts should be made to promote international tourism and to develop tropical agriculture. All SEZ's must further strengthen their economic relations with other parts of the country and enthusiastically provide support and service for the development of the hinterland.

All SEZ's must try to set up a socialist market economy and operational mechanism at an early date. They must continue to draw on the experiences of foreign countries in developing a market economy, and on international practice, in light of the actual conditions in China and the SEZ's and, on this basis, go on creating and making progress so that the SEZ's will be provided with features, priorities, and a particular style. The SEZ's must set up a sound market mechanism and raise the efficiency of enterprises before they can make progress and enter international economic competition and cooperation. Having a more sound foundation for reform, the SEZ's should proceed at a greater pace in this respect and provide more experiences in reform and development for other parts of the country.

The SEZ's must carry out the principle of "grasping two links at the same time." They should not only focus on economic development and on promoting material progress but also try to build up a relatively advanced culture and ideology. They should set a good example in promoting material and ethical progress; on the other hand, they should become the "windows" showing China's civilization and priorities of socialism. Like other parts of the country, Hainan is now starting undertakings in every field. The task is heavy and the road ahead is a long one. At the First Session of the Eighth NPC Congress, I said that it is necessary to give play to the pioneering spirit based on emancipating the mind and seeking truth from facts, which is needed in the socialist modernization drive to support and encourage our pioneering practice. Hainan and other SEZs should also set a good example in this respect. We should really instill this pioneering spirit into the minds of the large numbers of cadres and people so that it will become a powerful mental strength for developing SEZs.

Hainan is a famous native place of overseas Chinese. We should bring this favorable condition into full play to promote development in Hainan. The blue sea and the sky combine at the remotest corners of the earth and spring prevails everywhere in Hainan. We ardently hope that overseas Chinese; compatriots residing in Hong Kong, Macao, and Taiwan; and friends in all other countries will continue to care for, support, and participate in the construction in Hainan and make new contributions.

Comrades and friends! Building socialism with Chinese characteristics is a great and difficult task. It is because the task is great and difficult that we can create more brilliant achievements and a brighter future and that we must forge ahead in a closer unity under the great banner of patriotism and socialism. So long as we firmly carry

out the party's basic line; work hard, ceaselessly and unrelentingly; take the overall interest into account; and support each other, we will certainly score quicker and better results in promoting reform, opening up, and the modernization drive in the SEZ's and other parts of the country.

### Inspects Bonded Zone

HK1504120993 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 13 Apr 93

[Text] During the days of the fifth anniversary of the founding of Hainan Province and the establishment of Hainan Special Economic Zone [SEZ] being celebrated, the ribbon-cutting ceremony for the completion of Haikou Bonded Zone was solemnly held in Bingtan Industrial Development Zone yesterday afternoon.

Accompanied by provincial Ruan Chongwu, party secretary and governor, yesterday afternoon, Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the People's Republic of China, and chairman of the CPC Central Military Commission, personally inspected the Haikou Bonded Zone customs supervision and isolation facilities, and attended the ribbon-cutting ceremony for the completion of the zone.

Also attending the ribbon-cutting ceremony for the completion of Haikou Bonded Zone were more than 2,000 people, including Li Lanqing, member of the CPC Political Bureau and vice premier of the State Council; Chi Haotian, state councillor and defense minister; Hong Xuezhong, vice chairman of the Chinese People's Political Consultative Conference [CPPCC]; leaders of relevant central departments and fraternal cities, and comrades in charge of the bonded zone, as well as representatives of all circles of Hainan Province.

Du Qinglin, deputy secretary of the provincial party committee and chairman of the standing committee of the provincial people's congress, said at the completion ceremony: The opening of Haikou Bonded Zone is a remarkable achievement of Hainan Province in its efforts to deepen reform, expand opening up, and accelerate development, and the zone can serve as a bridge, hub, and forward position for Hainan to enter international markets, participate in international competition, and carry out transnational operation. The completion and opening of Haikou Bonded Zone is just a good start. We should continue to exert ourselves and spare no efforts to do a good follow-up job on the bonded zone, and persistently push forward the comprehensive development and construction of the bonded zone in line with the requirement of high starting point, high standards, high quality, and high speed. We should do our best to build the bonded zone into China's first-class export processing base and international trade base which enjoys a sound environment, preferential policies, excellent facilities, fine quality services, well amplified laws and rules, and a complete range of functions, and which has roots in Haikou, fans out throughout Hainan, relies on the entire country, and has the world in mind.



Qian Guanlin, director of the General Administration of Customs; Ruan Chongwu, provincial party secretary and governor; and Chen Yuyi, Haikou City party secretary cut the ribbon at the completion and opening ceremony of Haikou Bonded Zone.

#### **Hu Jintao on 14th Party Congress Guidelines**

OW1404232493 Beijing QIUSHI in Chinese No. 6,  
15 Mar 93 pp 2-7, 37

[Article by Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee: "Implement the 14th Party Congress Guidelines in an All-Round Way and Strengthen and Improve Party Building"; a footnote states that this article, which was part of a speech made by the author at a national conference for young cadres to exchange experiences in tempering themselves, was revised before being published in QIUSHI]

[Text] In his report to the 14th party congress, Comrade Jiang Zemin pointed out: "The key to unswervingly upholding the party's basic line for a long time to come, carrying out the reform and opening up policies and the modernization drive in a faster and better manner, and achieving long-term stability and prosperity in our country lies in our party; and in persistently arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics." These remarks thoroughly explain the importance of strengthening party building and party leadership in the new period, as well as the relationship between socialist modernization on the one hand and party leadership and party building on the other. This is a scientific conclusion reached after summing up our party's historical experiences, especially after summing up the great practice of the past 14 years, and it is also a basic requirement set for party building in light of the environment our party is in and the great mission it has undertaken in the new period.

#### **I. The Key To Accomplishing the Tasks Set by the 14th Party Congress in Reform and Construction Lies in Building the Party Successfully**

The basic task in building socialism with Chinese characteristics is to further liberate and develop productive forces through reform and opening up under socialist conditions, to promote all-round economic prosperity and social progress in our country. This task can be accomplished only by uniting people of all nationalities across the country to work hard together under the leadership of the CPC. The working class represents the advanced productive forces, and the CPC is the vanguard of the working class. Immediately after coming into being, our party regarded liberating and developing social productive forces as its basic task and building socialism through the democratic revolution and eventually realizing communism in China as its program for struggle. For more than 70 years, our party has fought indomitably in spite of dangers and difficulties, and all

its activities, in the final analysis, have been aimed at liberating and developing the social productive forces. In the semicolonial and semifeudal social conditions during the 28-year democratic revolution, our party led the people in waging an armed struggle to overthrow the old system, which impeded the development of the productive forces, and smash the state apparatus of the exploitive classes, greatly liberating the productive forces and ushering in a new era in Chinese history. The basic socialist system was established following the founding of New China. Thereafter, over the next several decades, our party advanced in a tortuous way and always tried to explore how to further liberate and develop productive forces in a socialist society. Since the Third Plenary Session of the party's 11th Central Committee, our party has unswervingly shifted the stress of its work to economic construction, pursued the reform and opening policies, and led people in launching a new revolution, thus finally finding a correct road suited to the conditions of our country and bringing about a new situation in socialist modernization. The historical conditions, concrete objectives, ways, and means of the two revolutions our party has led were different, but their basic aim was to liberate and develop the productive forces. For more than 70 years, our party fought hard for the liberation and development of China's productive forces, for national independence and prosperity, and for the people's happiness, and it has scored achievements that have attracted world attention. By waging this hard struggle over the past 70 years and more, the party has continuously grown in strength and has become ever more mature and stronger. History proves that in the process in which the Chinese people liberate and develop the social productive forces and strive to achieve prosperity in the motherland, our party is always in the forefront, is at the core of leadership, and plays the key role.

The tremendous achievements in economic construction and other undertakings China achieved in the 14 years since it started implementing the policy of reform and opening up were scored under the leadership of the party. At the beginning, we were faced with a legion of problems inherited from the past, and we frequently encountered new contradictions in the march forward. These plus the complicated and constantly changing international situation put our party to a rigorous test. Under these circumstances, our party, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, displayed tremendous political courage, pragmatism, and creativity; it came up with and implemented a correct line, principles, and policies; firmly removed all sorts of interference, persisted in carrying out economic construction as the central task, upheld the four cardinal principles, persisted in the policy of reform and opening up, and continuously advanced the cause of building socialism with Chinese characteristics. The great party has lead the great undertaking, and the great undertaking has further

tempered the great party. Facts again show that ours is not only a party that can lead in revolution, but also in reform and construction.

We should certainly be aware that ideologically, politically, organizationally and in terms of work style, there are still problems that are incompatible with the requirements of the new situation. To bring into fuller play the party's leadership over socialist modernization, we must improve and strengthen party building, rather than weaken or neglect it in the slightest degree. The onerous tasks of reform and opening up in the nineties require our party to take the initiative in adapting to the changes in the situation and tasks; to raise our ability to guide practice with the theory of building socialism with Chinese characteristics; to raise our ability to keep the overall situation well in hand and correctly handle the complex contradictions both at home and abroad; to improve our capacity in exercising leadership over economic construction, reform, opening up, and, particularly, in establishing and perfecting a socialist market economic system; to enhance the rallying call of the party, its appeal among the masses, and its combating power in reform and construction.

We must also be aware that deepening reform and opening up wider to the outside world—in addition to presenting higher demands on as well as new problems to party building—has created new opportunities and conditions and opened up broad prospects for further improving party building. Marxist materialist dialectics tell us that when the development of the objective reality presents new problems to us, it also provides the conditions necessary for solutions to these problems. We must be good at seizing opportunities, make use of favorable conditions, and find solutions to problems through active exploration. Over the past 14 years, party building has moved forward as we constantly studied the new situations and solved new problems—the level of party building has risen constantly in the process. In the future, we will continue advancing along this path. So long as we explore bravely and are good at summing up experiences, the path of party building will become broader and broader and we will be able to make greater advances in party building.

## **II. Party Building Must Adhere to the Party's Basic Line and Be Carried Out Closely Around the Central Task of Economic Construction**

In light of the new historical period, where there have been changes in the environment in which our Party functions and in the tasks it undertakes, the 14th CPC National Congress clearly points out: "We must adhere to the principle that the party bandies party affairs, being strict with its members, improving party building and exercising more effective power and leadership. This will make it possible for our long-tested Marxist party to function better as the force at the core providing leadership in the great cause of building socialism with Chinese characteristics." This is the general guiding principle for party building in the new period.

Promoting party building in close connection with the political line represents—in addition to being a basic principle—a basic experience of party building. The most important thing in party building in the new period is to carry it out in accordance with the party's basic line of "one center and two basic points" while upholding Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as the guidance. A good grasp of this point means a good grasp of the fundamental principle of strengthening and improving party building.

Judging from the experiences drawn from practice over the past 14 years, we must have a firm grasp of the following three points in strengthening the party in accordance with the party's basic line:

We must carry out party building in line with the party's basic line. This requires us to have a correct understanding and comprehensive grasp of the relationship of dialectical unity and mutual dependence inherent in "one center, two basic points" without the slightest partiality. Concentrating on economic construction represents a major political question concerning the consolidation and development of the socialist cause; it is a matter of overall importance for the party. The key in upholding the party's basic line without wavering lies in adhering to the central task of economic construction without wavering. To develop the economy, we must adhere to the policy of reform and opening up, further liberate and develop the productive forces; to carry out economic construction, reform, and opening up well, we must adhere to the four cardinal principles, guarantee a lasting political environment of stability, and guarantee reform and construction will advance along the correct orientation. Promoting party building in accordance with the party's basic line requires that all efforts to strengthen the party—ideologically, organizationally, or in terms of work style—to conform to and reflect the requirements of the party's basic line and work hard to build party organizations at all levels into strong cores capable of implementing the party's basic line in an all-round way.

We must carry out party building in close connection with the practice of implementing the party's basic line. Many new problems in strengthening and improving party building in the new period arise from the practice of implementing the party's basic line; only in the practice of implementing the party's basic line will we be able to solve them and gain new experience. The party's combat power in construction and reform, which is to be reflected in the practice of implementing the party's basic line, should be enhanced in the course of upholding the basic line.

We must evaluate party building on the basis of progress in implementing the party's basic line. Only by adhering to the party's basic line will we be able to liberate and develop the productive forces of a socialist society, enhance the overall national strength of a socialist country, improve the people's living standards, and

accomplish the goal of our struggle. Therefore, in the final analysis, the principal criterion for judging the success of all the party's endeavors is whether they help develop the productive forces of our socialist society, increase our country's overall strength, and raise the people's living standards. Party building is no exception. There are, certainly, specific requirements for party building efforts; however, all of them must conform and embody this fundamental criterion.

Promoting party building in accordance with the party's basic line and around the central task of economic construction requires us to have a correct understanding of the internal link between economic construction and party building so that the two undertakings will complement and support one another. Promoting party building for the sake of party building in disregard of economic construction is out of the question; so is stressing only economic work to the neglect of party building. Either of these two tendencies will eventually affect economic development and weaken party building. Neither is desirable. We must persist in taking economic construction as the central task and work hard to strengthen the party in line with the laws and characteristics of party building. We must proceed from reality and constantly accumulate new experience of strengthening the party through economic construction.

### **III. Strengthening and Improving Party Building in Line With the Requirements of the 14th CPC National Congress**

The report of the 14th CPC National Congress outlines five tasks of party building for now and for some time to come. All around accomplishment of these tasks will result in a strengthened and improved party. We must arm the whole party with the theory of building socialism with Chinese characteristics, as it is a top priority, and expend solid effort to carry it out well in order to push forward the implementation of other party-building endeavors.

First, we should strive to arm the whole party ideologically with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

The 14th CPC National Congress report fully reflects the spirit of the important talks given by Comrade Deng Xiaoping when he visited the south last year and the ideas he has held all along; it presents a systematic elaboration on the principal contents of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and specifically requires that the whole party be armed with this theory. This has an extremely great significance for the party's work as a whole and party building in the new period. The theory of building socialism with Chinese characteristics is the latest product of the integration of Marxism with Chinese reality. It is a Marxist theory for present-day China. It is a powerful ideological weapon that will enable us to fulfill our new historic mission. Persisting in using this theory to educate party members and cadres constitutes

a fundamental task of the party's ideological construction in the new period. Experience has told us the extent to which a person's mind is emancipated, his views changed, and his understanding enhanced depends on his study and understanding of this theory. The most important way to strengthen and improve party building is to use this theory to arm the whole party, to unify its thinking, and to enhance its awareness and determination to implement the party's basic line.

The theory on building socialism with Chinese characteristics is a comprehensive, scientific ideological system. The 14th CPC National Congress summarized this ideological system into nine important aspects. We should organize party members and cadres to study in depth each of these aspects, seeing to it that they are understood comprehensively and accurately. It is necessary to grasp not only the basic views and principles but also the correct stand, views, and methods.

Emancipating the mind and seeking truth from the facts forms the quintessence of the theory on building socialism with Chinese characteristics. It is necessary to concentrate study on the quintessence to really understand and master the theory. Comrade Jiang Zemin, speaking at the First Plenary Session of the 14th CPC Central Committee, emphatically pointed out: "As far as leading cadres are concerned, it is very important for them to study and master material dialectics to do their job well." Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a model of applying the Marxist dialectical materialism and historical materialism to the practice of China's reform and construction, and of enriching and developing the Marxist dialectical and historical materialism through the practice. This theory illuminates the brilliance of materialist dialectics with the exposition on seeking truth from the facts, proceeding in everything from reality, integrating theory with practice, and using practice to verify and develop the truth; the exposition on the liberation and expansion of productive forces as the fundamental task of socialism, the liberation of productive forces as the aim of both revolution and reform, and the basic criteria for judging merits or demerits and right or wrong in work in all fields; the exposition on upholding the dialectical unity of "one center, two basic points," persisting in taking tough measures in both links simultaneously, and being vigilant against rightists but mainly guarding against the "left" in China; the exposition on correctly understanding and handling relations between socialism and capitalism in these contemporary times; the exposition on interrelations between planning and the market, speed and efficiency, and stability and development; and so on and so forth. Only by studying and mastering Comrade Deng Xiaoping's scientific approach of applying the Marxist stand, views, and methods in studying new circumstances and in solving new problems and his pioneering spirit of emancipating the mind and seeking truth from facts, will we be able to guard against and overcome onesidedness and thinking in terms of absolutes and be able to do a still better job



in implementing the party's basic line and policies and promoting economic construction, reform, and opening up.

In studying the theory, it is necessary to adhere to the principle of integrating theory with practice. The theory on building socialism with Chinese characteristics, which derives itself from practice, also offers guidance in practice. We should integrate the study of the theory with the implementation of the party's line, principles, and policies and with the summation of practical experiences, so as to deepen our understanding of the theory in the course of practice and to contribute to enriching and developing this theory.

To arm the minds of all party members with the theory on building socialism with Chinese characteristics is a long-term task, which must be carried out unswervingly. Party organizations at all levels should set different requirements for different participants in and levels of study, paying particular attention to study by leading cadres at and above the county level. It is necessary to emphasize actual benefits and guard against formalism in continually deepening the study.

Second, it is necessary to further improve the quality of leading bodies.

The 14th CPC National Congress called for building up leading bodies at all levels into powerful leading collectives, which are loyal to Marxism and which adhere to the path of socialism with Chinese characteristics, in line with the principle of promoting younger, better educated, and more revolutionary and professionally competent cadres with both political integrity and ability. Further improving the quality of leading bodies at all levels in accordance with this general requirement is the key to strengthening and improving the party's organizational construction, as well as an important organizational guarantee for implementing the 14th CPC National Congress guidelines and for accelerating reform, opening up, and modernization construction. We should take this opportunity of a new term of people's congresses, governments, Chinese People's Political Consultative Conferences [CPPCC], and some party committees this year in further promoting and strengthening the construction of leading bodies.

In strengthening leading bodies, the most important thing is to—under the guidance of the party's basic line—correctly implement the policy of making the ranks of cadres more revolutionary, younger, better educated, and more professionally competent, with both professional ability and political integrity. For cadres, the most important requirements in terms of integrity and ability are as follows: The first is political, that is, he must subordinate himself to the party, be a true communist, uphold the party's basic line, and have firm socialist and communist convictions; the second is professional, that is, he must be competent, knowledgeable, have work experience, and possess organizational and leadership qualities. At all times we must uphold the principle of

stressing both professional ability and political integrity and guard against stressing one to the neglect of the other. For cadres at different levels and in different positions, the specific requirements for professional ability and political integrity should differ; for leading cadres, high-ranking cadres in particular, standards should be higher. In correctly adhering to the principle of stressing both ability and integrity and doing a good job in promoting, employing, and assigning leading cadres in line with the ideas Comrade Deng Xiaoping has held all along and the spirit of the important talks given by him when he visited the south last year, we should heed the following three questions: First, assessing a cadres professional ability and political integrity in connection with his performance in implementing the party's basic line. This is a very important principle. Correctly implementing the party's basic line requires both professional ability and political integrity on the part of the cadre. In judging a cadre, we must take into account whether he is firmly supportive of the party's basic line as well as his ability to correctly implement this line and constantly create new situations at his post. Second, we should use actual achievements as an objective criterion for judging a cadre's ability and integrity. This way of assessing a cadre's ability and integrity represents a concrete application of the standpoint of attaching primary importance to practice in work relating to cadres. We must boldly promote excellent cadres with outstanding achievements in the reform, the opening up and modernization drive. Certainly, in assessing their achievements, we must seek truth from the facts and guard against bias or oversimplification. Third, we must follow the mass line and promote in a timely fashion cadres who are universally acknowledged as having both ability, integrity, and outstanding achievements.

We must promote younger cadres to leading posts in large numbers. Today, an irrational age structure—that is, too few young cadres in leading positions—is a problem existing in varying degrees in all leading bodies. The CPC Central Committee has set forth clear, specific requirements for solving this problem. Party organizations at all levels, with their needs for today as well as for the 21st century in mind, properly solve this problem with a heightened sense of responsibility and urgency. We have talented people. The crucial thing is to further emancipate the mind, expand up our vision, open up more channels, and promote personnel by not sticking to one pattern. Outdated notions—such as assigning posts according to seniority, seeking absolute perfection, and excessive accommodation—will only lead to the suppression and stifling of people with real talents and therefore must be firmly eradicated. Leading comrades at all levels must develop the notion that it is wrong to stifle talented people so that they will take the lead in discovering, bringing up, and promoting younger cadres. We should dare to bypass conventions in promoting exceptional cadres. As for young cadres whose essential qualities are good, who have done excellent work, and have great potential, we should look primarily at their main aspects, their essence and dare to promote them

and let them give a full account of their talents at appropriate posts, even if they have made some slips in their work, so long as they have recognized and corrected their mistakes. We should integrate the use and training of talented people, accelerate the reform of the cadre system, prevent and resist malpractice in the use of personnel, and create conditions for talented people to come to the fore.

We should raise leading bodies' abilities to exercise leadership over economic construction. The acceleration of reform, opening up, and economic construction and the establishment of a socialist market economic system have presented higher demands on leading bodies at all levels. Leading bodies must rationalize their structure step by step and raise their overall level in leading reform and construction. Leading bodies that lack people but are proficient in economic work should be appropriately replenished. Leading members from the party and government may hold concurrent positions as appropriate and in accordance with necessity. Local party committees should be good at working with the people's congresses, governments, CPPCC committees, and other departments, to give full rein to their roles, and join force with them in promoting reform and construction. Every leading cadre, regardless of his field of responsibility, should understand and care about the overall task of economic construction, learn economics and the objective laws of economic construction, and discharge his duties well in regards to economic construction. We should have a good grasp of the method and art of leadership when it comes to "promoting both the material and spiritual civilizations" so that we will not stress one to the neglect of the other.

We must attach great importance to and earnestly grasp well the ideological and workstyle construction of leading bodies. At present, questions in two areas should be resolved in particular. The first is upholding and perfecting democratic centralism and enhancing unity. Party unity is the party's life. Unity in leading bodies has a direct bearing on the stability and development of localities and departments. At present, the question of lack of unity and coordination exists in a number of leading bodies, and one of the important causes is their failure to successfully implement democratic centralism. Leading bodies at all levels should strictly act in accordance with democratic centralism and integrate the practice of centralism on the basis of democracy with the practice of democracy under centralized guidance. All major issues must be discussed and decided upon collectively; no individual should have the final say. Every leading member must firmly implement decisions made collectively through discussions; no one is allowed to do what they think is correct. In inner-party life, it is necessary to bring democracy into full play, open up and widen democratic channels to let everyone air their views freely. If one has anything to say, it should be put on the table; we oppose that kind of liberalism which makes irresponsible remarks behind someone's back instead of making them in the open. Leading cadres must

be broadminded, listen carefully to the views of all sides, and choose and follow what is good. It is necessary to take the overall interest and the whole situation into consideration, stress principles, observe discipline, safeguard unity, and support, respect, and understand each other. From now on, in inspecting and evaluating the building of a leading body, it is essential to examine whether the leading body is united and works with one heart and one mind. Those which suffer from long-term disunity and which do not mend their ways after they have been given help and education, should be resolutely readjusted. The second question is setting an example in fostering good party style and in building a clean government, and in resolutely overcoming negative, corrupt phenomena. The masses have a lot of complaints about problems in fostering good party style and building a clean government, and we must on no account underestimate them. Leading bodies at all levels must persistently begin with themselves and be determined to produce results in this regard. Problems of abuse of power for personal gains, embezzlement, and bribetaking, which have been exposed, must be resolutely investigated and dealt with. Building a clean government depends on education, but it depends even more on the legal system. It is necessary to establish and perfect a control mechanism which can effectively prevent the abuse of power for personal gain. It is necessary to resolutely implement those rules and regulations that have proven effective. Organization departments of the party committee and discipline inspection organs should closely coordinate with each other to bring about the integration of discipline inspection with the evaluation and selection of cadres. Leading organs and cadres at various levels should resolutely overcome bureaucratism and formalism, persistently go down to the grassroots and into the masses, perform concrete deeds, seek tangible results, and incorporate the party's fundamental purpose and fine workstyle in their deeds.

Third, it is necessary to attach importance to and strengthen the construction of grassroots organizations.

The party's grassroots organizations are the foundation of all its work and fighting abilities. The party's line, principles, and policies, as well as its various tasks depend on its grassroots organizations to implement and accomplish. We must unremittingly and earnestly carry out the construction of party organizations in enterprises, rural areas, offices, schools, research institutions, neighborhoods, and other grassroots units. At present, the construction of party grassroots organizations encounters many new developments and questions, the most prominent of which are how to meet the needs of building a socialist market economy and developing the economy faster and better, and how to best strengthen and improve party construction in different types of economic organizations. To resolve these questions, all localities should strengthen investigation and research, carry out active exploration and bold practices, and summarize their experiences. The central authorities have specific regulations, such as calling for accelerated

efforts to establish party organizations in foreign-funded enterprises, wherever conditions exist, in order to bring into play the role of personnel on the Chinese-side as the political nucleus; and calling for strengthening the education and control of party members in privately-run enterprises. These regulations must be earnestly implemented. Where the central authorities have laid down principles, localities should formulate specific implementing measures in light of their actual conditions. Where nationwide unified standards cannot be established for the time being, it is necessary to carry out bold exploration by proceeding from what is "conducive to the three causes" [meaning "conducive to developing the productive forces of our socialist society, increasing the overall strength of our socialist country, and improving the people's living standards"] and from what facilitates party organizations to bring their role into play.

Changing operating mechanisms, increasing vitality, and raising the efficiency of state-owned enterprises, especially large and medium-sized enterprises, in order for them to play a leading role in the establishment of a socialist market economic system is crucial for developing the economy, deepening reform, consolidating the socialist system, and bringing into play the superiority of socialism. Enterprise party organizations should fully demonstrate their fighting capacity in implementing this task. The 14th CPC National Congress stated once again: "Enterprises owned by the whole people should bring into full play the role of party organizations as the political nucleus, persist in and perfect the director's responsibility system, and rely on the working class wholeheartedly." Enterprise party organizations and administrative leaders should further unify their thinking on the basis of the aforesaid statement and work concertedly to implement this statement to the letter. The reform of changing the operating mechanisms of enterprises owned by the whole people has infused new vitality into the building of enterprise party organizations, while setting new demands on their establishment, work contents and methods, and forms of activities. As the political nucleus, enterprise party organizations must earnestly perform their duties in line with the provisions of the party constitution, and carry out the party's work on the frontline by paying close attention to improving production and operation. They should mobilize and organize party members to actively promote enterprise reform, bring into full play their exemplary vanguard role, and encourage them to temper and improve themselves in the process. We must see to it that enterprises are granted with authority—including the authority in personnel matters—that should be delegated to enterprises according to the "enterprise law" and the regulations of the party Central Committee and the State Council. Problems involving the building of party organizations and the party's role as the political nucleus that arise in the course of implementing the "enterprise law" and the regulations should be discussed jointly between party committee members and party member-administrative leaders. When we are sure of a correct measure, we should carry it out boldly; when we are

momentarily not sure of it, we can still go ahead and experiment with it. In restructuring enterprises, it is necessary to pay attention to maintaining essential party working organs and political work personnel.

We have already clarified the way and accumulated experiences of building up party organizations in rural areas. Now it is time to study and solve new problems of building up township and village party organizations, which have cropped up in the process of establishing a socialist market economy and rapidly developing village and town enterprises and tertiary industries in rural areas. It is necessary to continue to pay attention to consolidating backward rural party branches and improving their work, especially selecting competent party branch secretaries.

The task of party building is extremely arduous and needs the joint efforts of all party members; comrades engaged in party building shoulder an especially important responsibility. The overall quality of the contingent of comrades engaged in party building is good. Over the past 14 years, we comrades have worked conscientiously and made impressive progress in improving ourselves through work. We should further enhance our sense of responsibility and continue to raise our awareness and administrative skills to a new level.

We should emancipate our minds and dare to explore. In the face of numerous new problems in party building today, we should creatively apply Marxist ideology to party building. We should especially take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as our guide in emancipating our minds, seeking truth from the facts, facing up to difficult and hot issues in party building, exploring new situations boldly and skillfully, searching for correct answers in practice, and gradually improving our ability to recognize and solve various complicated contradictions.

We should attach importance to the practice of grassroots organizations and party members at large, and should summarize fresh experiences in a timely manner. As Comrade Deng Xiaoping said: "Rural reforms have produced many useful things, all of which were started at the grassroots. We should process and improve them for using as a guide for the whole nation." This is the work method of coming from the masses and going to the masses, and the link between the dialectical materialist theory of knowledge and methodology. This is the method used by our party in guiding reform and construction, and this method should also be used in party building. We should learn from Comrade Deng Xiaoping in heeding innovations made by grassroots organizations and party members at large in the course of practice, and use fresh experiences to solve problems in party building in the new era.

We should strive to study things that we are not familiar with. There are a lot of things that we need to study, especially knowledge of the socialist market economy and party building under the conditions of a socialist



market economy. Comrades engaged in party building, who are not well versed in economics and economic affairs, cannot cope with the demands of this work. We should also boldly absorb and draw on all the fruits of civilization created by human society, including things from various countries in the world today that are useful to us. We should study while working, studying diligently and incessantly in order to continually raise the quality of our work.

We should strengthen our party spirit constantly. Comrades engaged in party building should stress even more party spirit. We should conscientiously adhere to the party's basic line and maintain political unity with the party Central Committee under all circumstances; and we should persist in the goal of serving the people wholeheartedly and carry forward the spirit of dedication and sacrifice.

The seven or eight years between now and the end of this century will be a crucial period for China's reform, opening up, and modernization; as well as for party building. We must rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, further heighten spirits, work hard, and construct our share of contributions to implementing the tasks set by the 14th CPC National Congress and to strengthening and improving party building.

#### Leaders Hold Discussions With NPC Deputies

##### Li Tieying Joins Jilin Deputies

SK1604102093 Changchun JILIN RIBAO in Chinese  
18 Mar 93 p 1

[By special correspondent Guo Yuxue (6753 3768 1331): "Li Tieying Discusses Education With Jilin Deputies"]

[Text] Li Tieying, member of the CPC Central Committee Political Bureau, state councillor, and concurrently minister in charge of the State Education Commission, is one of the deputies sent by the central authorities to the Jilin Provincial delegation. On the afternoon of 16 March, he went to the first discussion group of the Jilin delegation where he belonged to discuss the "government work report" with the deputies. As soon as he entered the conference room, he said that he came to report for duty and to seek advice from deputies. The arrival of the state's top leader in charge of education immediately created a vigorous atmosphere in the conference room. Zeng Xiaozhen, professor of the Changchun Geological Institute; Ma Ning, professor of the Jilin Agriculture College; Ju Guizhi, professor of Bethune Medical College; Mu Lifang, principal of the Changchun city's Jiefangdalu Primary School; and other deputies from education circles spoke on their views on the current situation and future development in education. Quan Zhezhu, head of the Yanbian Korean Autonomous Prefecture, and Geng Zhaojie, director of the Changchun No. 1 Motor Vehicle Plant, also spoke on issues concerning joint investment and enterprises'

investment in establishing schools. Comrade Li Tieying took notes attentively and answered questions based on relevant policies and regulations. He said: In developing the four modernizations, the modernization of science and technology is the key, and education is the foundation. We must exert great efforts to make a success of education, which is a basic project deciding on the development of the state and the prosperity of the nation. How to suit the need for establishing the new system of the socialist market economy is a new task that education encounters, and the continuous development of the political and economic reform will unavoidably bring about profound changes to the education front. We will follow the principle of developing schools by the state mainly while encouraging entire society to establish schools and will deepen reform to address the various contradictions and problems emerging in the process of developing education. Li Tieying said: As a people's congress deputy, I hold that the state should make particular efforts to run a number of universities well so that China will occupy a place in the high-tech field of the world.

##### Qian Qichen at Jilin Meeting

SK1604101993 Changchun JILIN RIBAO in Chinese  
19 Mar 93 p 1

[By special correspondent Guo Yuxue (6753 3768 1331): "Strengthen the Agriculture's Fundamental Position"]

[Text] After group discussions in the past few days, the Jilin delegation to the First Session of the Eighth National People's Congress held a full meeting at the Jilin Room of the Great Hall of the People on the morning of 18 March to continue discussion on the "Government Work Report," with the focus on how to strengthen the fundamental position of agriculture and other issues. Qian Qichen, member of the CPC Central Committee Political Bureau, state councillor, and concurrently minister of foreign affairs, attended and addressed the meeting.

He Zhukang, delegation leader, presided over the meeting. Deputies Gu Changchun, Wang Rulin, Zang Shengye, Wu Changshu, and Li Qiankuan gave speeches. They pointed out unanimously that Premier Li Peng's "Government Work Report" summarized the work of the previous five years in a realistic manner and put forward encouraging and practical targets to be attained in the next five years. They expressed firm support for the report.

Comrade Gu Changchun said: In developing economic construction, reform, and opening up, we should further maintain social stability. In the process of establishing the socialist market economy system, we should pay attention to standardizing market behaviors and never slacken efforts in building the socialist spiritual civilization so that we can create a good social environment for deepening reform and opening up wider to the outside world. Deputy Wang Rulin, mayor of Tonghua city, said



that with the rural economy developing, productivity improving, peasants' burdens reduced, and the collective economy expanding continuously, the current general rural situation was good, but there were still many serious difficulties, such as a notable decline in the comparable efficiency of agricultural production. He suggested that the state adopt measures to protect grain production and give priority of investment to major grain producing areas. Deputy Zang Shengye, mayor of Siping city, said that as peasants' enthusiasm for grain production had been dampened, which was a conspicuous problem, the state should designate grain production protection areas, apply a series of preferential policies to them, give credit support to the development of the township enterprises and diversified economy of key grain producing areas, and increase the measures for grain storage and drying. Deputy Wu Changshu, chairman of the Yanbian Korean Autonomous Prefectural People's Congress Standing Committee, suggested that the state establish a special economic zone in Hunchun to accelerate the economic development of minority areas and the entire Jilin Province. Deputy Li Qiankuai, chief director of the Changchun Film Studio, called for taking measures rapidly to bring into better balance the relations between film production and film releasing units and to strengthen management of the markets for movies and video films.

After hearing the speeches, Comrade Qian Qichen said: Jilin has abundant resources and very good conditions and has achieved very rapid development. It is hoped that Jilin's comrades will seize the opportunity to score new and greater achievements. Regarding agricultural development, Qian Qichen held: On the one hand, intensive processing should be developed to produce the products with high additional value instead of unprocessed grain only. On the other hand, the state should provide necessary protection.

Qian Qichen analyzed the essence of the deputies over Hong Kong issue provoked by the Hong Kong British authorities and the principles and stand of the Chinese Government. His speech was welcomed by the deputies with warm applause.

Gu Xiulian, minister of chemical industry, also attended the meeting. She held that when planning for the agricultural economy of grain producing areas, the state should give consideration to and develop the agriculture-oriented industries simultaneously.

### **Zou Jiahua, Inner Mongolia Deputies Meet**

SK1604102193 Hohhot NEIMENGGU RIBAO in Chinese 20 Mar 93 p 1

[By reporter Yang Yankui (2799 1750 7608) and Inner Mongolia People's Broadcast Station reporter Ning Ding (1337 0002): "Seize the Opportunity, Aim at the Market, and Realize Transformation of Advantage in Resources Into Economic Advantage"]

[Text] On the morning of 19 March, Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier of the State Council, participated in the discussion held by Inner Mongolia's deputies to the First Session of the Eighth National People's Congress on the Government Work Report, the report on the 1992 economic and social development and the 1993 draft plan, and the report on implementation of the 1992 state budget and the 1993 draft budget. Zou Jiahua pointed out that in its economic development, Inner Mongolia should seize the opportunity, aim at the market, and realize as soon as possible the transformation of the advantage in resources into an economic advantage.

After hearing speeches given by deputies Wang Qun and Liu Zhenyi, Comrade Zou Jiahua said: Inner Mongolia has achieved substantial progress over the past few years, registering very fast development in industry, agriculture, and animal husbandry and very great achievements in national unity and economic construction. In particular, it realized self-sufficiency in grain supply. This is a very significant change. With sufficient grain, people's feeling will be stabilized, and the pressure on transportation eased.

Zou Jiahua said: Comrade Xiaoping's speeches given during his south China inspection tour and the 14th National Party Congress have boosted the enthusiasm of all localities, governments at all levels, and the masses, and they have been studying ways of achieving faster and better development. Since last year, the central authorities have always emphasized the need both to accelerate development and to improve efficiency. High speed will become meaningless if it is accompanied by low efficiency or no efficiency at all because such a high speed will bring great difficulties to the next step of development. High speed accompanied by good efficiency is the basic requirement of our endeavor to seize the opportunity to accelerate economic development.

Zou Jiahua said: Inner Mongolia enjoys many advantages in economic development, and a very important one is the advantage in resources. It is a correct idea to turn the advantage in resources into an economic advantage through exploitation. Exploitation should be conducted in line with the market demand, and the marketing rate should be considered a target of efficiency. Geared to the world market and the domestic market, which means not only the markets within the region but also the markets all over the country, Inner Mongolia will have definite direction and targets in economic development. During its economic development, it should note the many restricting factors. For instance, investment is needed in exploiting the resources. The first problem we should address is transportation. Inner Mongolia is more than 4,200 km long from east to west, and its acreage is one-ninth of the country's total. To develop exploitation and construction in such vast land, the first thing it should consider is railway construction which, if made successful, will play a very great role in economic development. In addition, when developing railway construction, we should eliminate the shackles of

the idea of self-sufficient small-scale peasant economy because it will prevent us from achieving faster and greater development. We should take the road of the commodity economy and the market economy and develop large-scale production and intensive management. Guangdong summarized its work as large road leading to large wealth, small road leading to small wealth, no road leading to no wealth, and expressway leading to quick wealth. There is truth in it.

Zou Jiahua said: Inner Mongolia has abundant coal resources. Turning the coal into electricity and turning the land transportation of coal into the electricity transmission through aerial lines will ease the strained railway transportation and also reduce cost. When the principle of transforming coal into electricity is determined, Inner Mongolia should work out ways to build power plants. To ease its fund shortages, it should collect funds from various channels and may also draw in foreign capital. The state has already formulated policies for this work. Inner Mongolia should not stick to the original ideas for raising funds.

Zou Jiahua said: Inner Mongolia's animal husbandry, one of its major advantages, accounts for a considerable proportion in the country. Despite its recent great development, China's food industry is still far from being enough. Therefore, if Inner Mongolia turns its advantage in animal husbandry into one in animal by-products, based on which to develop the food industry, it can not only satisfy market demand but also improve the living standards of its peasants and herdsmen quickly.

#### **Liu Huaqing Pays Last Tribute to Chen Zaidao**

OW1604060493 Beijing XINHUA Domestic Service in Chinese 1110 GMT 14 Apr 93

[By Luo Yuwen (5012 3768 2429)]

[Excerpt] Beijing, 14 Apr (XINHUA)—The remains of Comrade Chen Zaidao—an outstanding CPC member, a long-tested loyal communist fighter, a revolutionary and strategist of the proletariat, former member of the Central Advisory Commission, adviser to the Central Military Commission, and vice chairman of the Sixth National Committee of the Chinese People's Political Consultative Conference [CPPCC]—were cremated in Beijing today.

Liu Huaqing, member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission; Qin Jiwei, vice chairman of the National People's Congress [NPC] Standing Committee; Wu Xueqian, vice chairman of the CPPCC National Committee; and Central Military Committee members Yu Yongbo and Fu Quanyou bid Comrade Chen Zaidao farewell at the Liberation Army General Hospital. [passage omitted]

When Comrade Chen Zaidao was critically ill and after he died, Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Peng Zhen, Zhu Rongji, Liu Huaqing, Hu Jintao, Zhang

Zhen, Chi Haotian, Zhang Wannian, Yu Yongbo, Fu Quanyou, and other party, state, and military leaders visited him in the hospital or telephoned his relatives to express their condolences.

## **Science & Technology**

### **Article Describes Functions of 33 Satellites**

HK1504152393 Hong Kong WEN WEI PO in Chinese 15 Apr 93 p 16

["Feature Article" by Wang Han-lin (3769 5060 2651) and Yen Yen (2518 3601): "What Are 33 Chinese Satellites Doing?"]

[Text] The resounding music of "The East Is Red" transmitted by the "Dongfanghong 1" satellite launched on 24 April 1970 opened up a new chapter in China's space industry. In the vault of heaven, Chinese satellites have twinkled 33 times over the past 22 years. What have these satellites been doing? We arrived at the cradle of these satellites—China Space Technology Research Institute. President Qi Faren explained the scientific mystery to us.

President Qi said: "Of the 33 satellites launched by China, 14 are retrievable satellites, seven are communications satellites, two are meteorological satellites, and the remaining 10 are scientific and technological experimental satellites."

"China used its 'Long March 2' rocket for the first time in 1975 to launch a retrievable satellite. To date, China has retrieved all such satellites on schedule. These retrievable satellites brought back high-resolution and high-definition satellite photographs, from which we can obtain valuable information on land resources, oil prospecting, map surveying, and earthquake forecasting. China launched two land survey satellites in 1985 and 1986, which shot more than 3,000 land photographs, each covering an area of 2,000 square km. Through these photographs, we obtained information about the new oil structure in the Tarim basin; discovered ore and chromium mines in Inner Mongolia; completed surveying of the 1:50,000 and 1:100,000 Huang He delta maps; found the laws of the major silt flows in the Huang He, Luan He, and Hai He and their mutual relations; and verified around 10 kinds of resources within the 55,000 square km area covering Beijing, Tianjin, and Tanggu."

"The retrievable satellites provided Chinese and foreign scientists with micro-gravity scientific research embarkation services and conducted material and life scientific experiments under micro-gravitational conditions. In recent years, China has conducted more than 300 experiments on satellite-borne devices."

"China used its 'Long March 3' rocket for the first time in 1984 to launch the first communications experimental satellite. So far, China has launched 6 such satellites.

Along with the launching and application of these satellites, China's communications, television, and radio undertakings have transcended traditional development. Through the communications satellites, China has developed digital facsimile, fax, and radio and TV transmission businesses, which have put an end to the difficulties in reception and communications in remote regions. China's communications satellites have transmitted external programs of the Central People's Broadcasting Station through 30 circuits, programs of channels 1 and 2 of the Central TV Station, two sets of TV educational programs, and programs of the Tibet TV station, and used the time-division system to transmit the programs of Yunnan, Guizhou, and Xinjiang TV stations. At the same time, satellite ground receivers designed and manufactured by China were installed and used for the first time in remote regions. To date, there are more than 30,000 ground receivers across the country, which have improved the quality of TV program transmission and extended TV coverage. China has also used communications satellites to transmit educational programs. The whole country now has over 3,000 educational TV, relay, and receiving stations. Students receiving education through TV total 16 million. A total of 1.2 million teachers have been trained through TV educational programs. By the end of 1989, China used communications satellites to open over 1,500 long-distance telephone lines, accounting for 6 percent of the provincial-level telephone lines across the country. Here are two examples which indicate the direct economic efficiency of the communications satellites. First, some 16 million people are receiving education and training through the two sets of educational programs transmitted by the communications satellites. If each person needs 500 yuan every year for transportation and accommodation, we can save around 10 billion yuan. Second, because of the current backward means of communications and settlement of China's banking system, there are billions of renminbi in transit which cannot be used for around two weeks. By adopting the means of satellite communications, we can shorten the period to one day or less, which can turn out tremendous returns. Thanks to application of meteorological satellites, we can avoid losses of billions of yuan by promptly and accurately forecasting disasters. The information on land resources obtained from the surveying satellites will benefit our future generations."

#### **Electronic Navigational Charting System Developed**

*OW1504041493 Beijing XINHUA in English 0331 GMT 15 Apr 93*

[Text] Tianjin, April 15 (XINHUA)—After two years work, scientists at the China Naval Oceanic Mapping Institute have developed the country's first electronic navigational system.

The new comprehensive shipboard navigational monitoring system is a hi-tech product for automatic navigation, according to marine sources.

The system can plot the exact location of a vessel no matter what the weather conditions, and indicate submerged objects such as reefs on a TV monitor.

If the vessel drifts off the course by six meters, an alarm device of the system will warn the crew.

Since the 80s many countries have poured money and manpower into studying electronic navigational mapping systems. Chinese scientists claim that their new system has come up to advanced world standards.

#### **China Establishes Environmental Protection Zones**

*HK1504042093 Beijing CHINA DAILY in English 15 Apr 93 p 3*

[By staff reporter: "Bio-Net Forms"]

[Text] China has established a national network to promote the country's diversified biological protection.

The China Network of Biosphere Protection Zones was initiated by the China National Committee of Man and Biosphere Committee, which concluded its eighth session in Beijing on Tuesday.

The new network is aimed at improving links between domestic protection zones and international organizations as well as organizing projects and training staff for the zones.

The network will study the protection of all biological varieties while promoting reasonable and sustainable economic development.

As the protection zones in China are managed by different governmental institutions, such as the ministries of agriculture, forestry and water resources, and local governments, the new network is expected to strengthen information exchanges among the zones.

The Chinese Man and Biosphere Committee was founded in 1978 to carry out the Man and Biosphere Programme launched by Unesco in 1973.

So far, more than 700 natural protection zones have been established in China. Nine of them have joined the international network of biosphere protection zones.

The Chinese committee has decided to absorb 32 of the zones into the new network, including the nine members of the international network.



## Military

### Training Submarine Runs Aground, Explodes 1 Mar

HK1604091793 Hong Kong TUNG HSIANG in Chinese No 92, 15 Apr 93 p 14

[Article by Yueh Shan (1471 1472): "CPC Submarine Meets With Mishap on Huang Hai"]

#### Submarine No. 019 Ran Aground and Exploded

"A submarine met with a mishap on the Huang Hai!"

This was a piece of information from the senior hierarchy of the CPC Navy. Early in the morning of 1 March, a submarine unit of the North China Sea Fleet conducted a formation exercise codenamed "Morning Sun 1 March" on the surface of the Huang Hai. Those taking part in the exercise were graduates from two naval academies in Qingdao and Dalian, led by instructors in carrying out the field exercise. At the time of conducting the formation exercise, Submarine No. 019 suddenly ran aground on the rocks after surfacing near Qianli Yan Island. It is alleged that there was an explosion because the submarine's engine room overheated. In consequence, the submarine blew up and buoyancy was lost because seawater kept pouring into it. Of the 38 trainees and instructors aboard the submarine, nearly 20 of them were trapped because there was not enough time for them to escape.

#### Thirteen Instructors and Trainees Dead

The Navy tried to salvage Submarine No. 019 after the accident and the submarine surfaced four days later, on 5 March. It was learned that 10 trainees and three instructors had died in this grave mishap and that the submarine had been towed back to the naval base in Qingdao. Deputy naval commander Chen Mingshan visited Qingdao Naval Base in person to conduct an investigation and issued an order: All "Whiskey" Class (same class as Submarine No. 019) submarines must be checked and must not put to sea until the cause was found. Chen Mingshan also ordered that those killed in this mishap must be treated as martyrs.

#### Obsolete Soviet Submarine Equipment

According to the Navy's information, Submarine No. 019 was a Soviet "Whiskey" Class submarine which was sold to China by the Soviet Union in the early sixties. At present, 25 submarines of this type are still on active service in the CPC Navy and are generally used for coastal patrol and trainee exercises. However, five Soviet "Whisky" Class submarines have been decommissioned or have met with deep-sea accidents since the mid-eighties. At present, this submarine type has been listed as the first batch to be eliminated and must be retired from service by the end of 1996.

The military did not make this grave submarine accident public and those servicemen who knew about this incident grumbled at the military for still using some really obsolete military equipment, without giving a thought to the safety of the officers and men.

### Chi Haotian Calls on Retired Veterans in Hainan

HK1504123593 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 14 Apr 93

[Text] Last night, accompanied by Lieutenant General Li Xilin, commander of the Guangzhou Military Region, and Major General Gong Pingqiu, political commissar of the Hainan Military District, General Chi Haotian, state councillor, defense minister, and member of the CPC Central Military Commission, called on retired Red Army veterans and cadres.

Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the People's Republic of China, and chairman of the CPC Central Military Commission, entrusted Chi Haotian to make this special visit to retired veterans. During the visit, Chi Haotian had cordial talks with those veteran comrades and wrote for them an inscription reading "Carrying forward the revolutionary tradition and [words indistinct]."

### Jilin Military Leaders Attend Lei Feng Forum

SK1404125293 Changchun JILIN RIBAO in Chinese 12 Mar 93 p 1

[By Chang Qiao (1603 2884) and Gao Yujie (7559 3768 2638): "Jilin Delegates to Shenyang Military Region's Learn-From-Lei Feng Commendation Rally Return With Honor"]

[Text] Jilin delegates to attend the All-Army Learn-From-Lei Feng Forum and the Shenyang Military Region's Learn-From-Lei Feng Commendation and Naming Rally returned with honor on 11 March. After being greeted by leaders of the provincial military district, they came to the provincial military district to hold a forum.

At the forum, Wen Jicheng, special delegate to the forum, a veteran learn-from-Lei Feng pace-setter, and chief of staff of the provincial military district; and Liang Shulin, leader of the delegation and deputy political commissar of the provincial military district; introduced the grand occasions of the all-Army forum and the Shenyang Military Region's rally. Representatives of the collectives and individuals who were named as learn-from-Lei Feng pace-setters spoke on their experiences. Comrades attending the forum said in their speeches: We should implement the guidelines of the all-Army forum and the Shenyang Military Region's rally in our province as soon as possible and enable the Lei Feng spirit to manifest new characteristics in the new period and to develop continuously in the Army stationed in the province and in the masses.

Present at the forum were Shi Zhaoping, political commissar; Qian Bo and Zhang Tizhen, deputy commanders; Zhang Mingchun, deputy political commissar; and Fu Tinggui, political department director of the provincial military district.

Responsible comrades of the provincial party committee propaganda department were also present.



### Economic & Agricultural

#### 'Pen Talk' on GATT Reentry, Foreign Exchange

HK1604064293 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Apr 93 p 2

["Pen Talk on Socialist Market Economy" by staff reporter Dai Lan (2071 1526): "Foreign Exchange Management as Viewed From Forthcoming 'Reentry to GATT'"—interview with senior research fellow Chen Quangeng, date and place not given]

[Text] China's resumption of GATT signatory status is forthcoming. "Reentry to GATT" means the great convergence and merger of the Chinese and world markets. A few days ago, this reporter interviewed Mr Chen Quangeng, a senior research fellow in China's foreign exchange management who has been engaged in the field for 40 years, on the issues concerning "reentry to GATT" and China's foreign exchange management.

[Dai] You have attended the talks with the GATT China Group on many occasions. Can China's existing foreign exchange management structure adapt itself after the country's "reentry to GATT?" What are your views on the issue?

[Chen] Before 1979, China pursued a highly centralized foreign exchange management structure, which was the outcome of national seclusion and the product economy.

Since the drive of reform and opening up to the outside world was launched, and especially during April and May 1980, China has regained its seats in the IMF and the World Bank, one after another. To ensure its financial status in the world and an equilibrium in the balance of international payments, China has always carried out the stipulations of the Article 14 of the IMF Agreement, adopted transitional methods to manage foreign exchange, and subjected its foreign exchange management to IMF supervision. In other words, China has pursued the IMF purpose and adopted every possible method to reform its foreign exchange structure and facilitate the balance of international payments; gradually reduced the use of mandatory planning and expanded the use of guidance planning in foreign exchange management, strengthening the regulatory role of the foreign exchange market; reformed the foreign exchange distribution structure, practiced a foreign exchange retention method, allowed foreign-invested enterprises, domestic enterprises, and residents to use foreign exchange independently and participate in foreign exchange swap trading; reformed the renminbi exchange rate structure and created conditions for pursuing single market-based exchange rates; established and developed foreign exchange swap markets and expanded the scope of foreign exchange swap to promote the regulation of the foreign exchange market; and, at the same time, China has also put an end the situation wherein a single bank monopolizes the operation of foreign exchange, established a foreign exchange financial system under which various banking institutions

coexist side by side, and introduced foreign-funded banks, thus promoting the foreign exchange structure to become market-oriented and liberal and enabling it to gradually meet the requirements of the IMF Articles of Agreement.

[Dai] In the transition to a socialist market economy, what impact will the "reentry to GATT" have on China's existing foreign exchange management?

[Chen] As far as foreign exchange management is concerned, the areas which possibly will be affected by China's "reentry to GATT" are as follows: First, after "regaining GATT membership," China will be entitled to receive multilateral, unconditional most-favored-nation [MFN] treatment; can ask the relevant signatory states for tariff reductions and exemptions on products which have great export interests; and will be able to avoid unfair treatment to its exports by using the multilateral trade structure. Meanwhile, the "entry to GATT" will help China to enter the international market with its service trades, improve the investment environment for foreign businessmen, promote foreign investment, and boost nontrade foreign exchange earnings and capital inflow. It will play a positive role in achieving an equilibrium in China's balance of international payments.

Second, according to the requirements of the GATT Articles of Agreement, China should gradually relax controls over management of foreign exchange earnings and outlays and management of exports, gradually lowering tariffs. This means an increase in foreign exchange outlays in export, labor service, and services. If China's exports cannot increase correspondingly, this will lead to a situation in which the supply of foreign exchange falls short of demand, making it more difficult to achieve an equilibrium in the balance of international payments and guarantee foreign exchange reserves.

Third, China will use unified national foreign exchange rates. If the fluctuations in foreign exchange according to the market supply and demand become part of the international money market, this will impair the stability of China's foreign exchange rates.

Fourth, the foreign exchange risks of financial institutions and foreign-related enterprises will rise.

The "reentry to GATT" will help push the marketization and liberalization process of China's foreign exchange structure and the merger of the Chinese and international markets.

[Dai] To meet the "reentry to GATT," what measures will China's foreign exchange departments take?

[Chen] The reentry to GATT will help accelerate the reform of China's foreign exchange management structure and, in the end, will achieve free convertibility of renminbi. Specifically:

—Perfect and develop the foreign exchange market so that the market will play the role as the foundation in

the distribution of foreign exchange resources. In other words, it is necessary to expand the source and scope of funds in the foreign exchange market, further reduce the use of mandatory planning, expand the retention of foreign exchange, and let more foreign exchange earnings and outlays circulate in the market, with the exception of the foreign exchange to be used to import materials necessary for a small number of key construction projects and the necessities of the national economy and people's livelihood, which will be supplied in accordance with state plans. Foreign exchange prices will be determined by market supply and demand and the buyers and sellers are allowed to make transactions independently, at negotiated prices, according to how the foreign exchange supply and demand situation swings. A national foreign exchange market quotation and transaction reporting system will be set up to promote full market openness and competition.

- Further carry forward foreign exchange reform and bring the role of foreign exchange as an economic lever into play. In the days to come, China will gradually readjust its official foreign exchange rates to stabilize market foreign exchange rates, and further narrow the gap between the two types of exchange rates, to achieve single market-based foreign exchange rates at an appropriate time and to enable foreign exchange rates to respond flexibly to market changes.
- Strengthen and improve the state's macrocontrol over foreign exchange earnings and outlays and turn mainly direct management into mainly indirect management. At present, above all, the retention of foreign exchange in quota will be changed into that of foreign exchange in cash so that enterprises will become market-oriented in this regard and thus will have both pressure and a stimulus. At the same time, a foreign exchange stabilization fund will be set up so that when there are abnormal swings in the foreign exchange market, the central bank will interfere in the market using the fund to keep foreign exchange prices relatively stable.

From a long-term point of view, China must take the road of active equilibrium in the balance of international payments, put stress on transforming enterprise operation mechanisms and accelerating technological transformation, improve the quality of its export commodities, reduce costs, export more commodities, increase trade and nontrade foreign exchange earnings, and, with foreign exchange earnings on the rise, lift the restrictions over the foreign exchange for regular use, appropriately relax the restrictions over the foreign exchange for import and other purposes, to maintain an active balance in foreign exchange earnings.

#### Trade Minister on Role of Foreign Investment

HK1504055093 Beijing CHINA DAILY (SPRING FAIR SUPPLEMENT) in English 15 Apr 93 p 3

[By Wu Yi, minister of foreign trade and economic cooperation: "China Plans Wider Role for Foreign Investment"]

[Text] We welcome friends from overseas to invest in China and develop trade with the country.

China is a huge market with enormous potential. Opening to the outside world is the State policy of the country.

In 1993, China will speed up the reform of foreign economic co-operation and trade. This will be done in accordance with the requirements for establishing a socialist market economy.

Measures that need to be taken are as follows:

- We shall widen the areas for foreign investment, adopt more flexible measures and continue to improve the investment environment to provide foreign investors with more convenient conditions and more adequate legal protection.

We shall further expand local governments' power to approve foreign investments, simplify the procedures and realize enterprises' independent rights in import and export.

According to the State's industrial policies, we shall actively guide foreign investment and direct it into infrastructure, basic industries and high technology.

We shall encourage foreign investment in capital- and technology-intensive industries.

After some time, China will gradually open such areas as banking, commerce, tourism and real estate to foreign investors.

To absorb foreign funds, technology and advanced management experience and encourage foreign investment are an important part of China's opening policy.

Integration is a trend of today's international economy and trade and the only way for China to expand foreign economic relations and trade.

Companies of international economic and technical co-operation can engage in commercial business while foreign trade corporations can contract for projects.

This helps them both bring their advantages into full play.

We encourage their co-operation, exchange of information and mutual support to jointly open up markets.

We shall reform our foreign aid policies and the general requirements for developing foreign economic relations and trade.

By taking for reference the effective aid forms which prevail all over the world, we shall adjust our composition of foreign aid and try to standardize it.

And by emphasizing efficiency and quality, we shall develop economic co-operation with developing countries.

—The strategies of diversifying foreign economy and trade markets and winning by quality should be further implemented.

Much attention should be paid to developing new markets and new trade relations while still maintaining and developing the existing markets and relations with existing trade partners.

Flexible measures should be adopted according to the condition of each country and region.

We shall continue our efforts to resume China's status as a member of Gatt.

We hope that we can obtain support from all Gatt parties and resume our status at an early stage.

We are well prepared to undertake the obligations stipulated by Gatt.

By following the principles of equality and mutual benefit and taking a positive and sincere attitude, we shall settle existing economic and trade issues with our trading partners through negotiations and consultations, thus further promoting bilateral economic relations.

To win by quality is a key in our market strategy.

Lack of quality harms chances in the fiercely competitive international market, let alone opening up new markets.

We shall keep our promises and continue to raise the quality of exports.

Administration and legal system will be strengthened to guarantee the quality of export commodities.

Meanwhile, we also attach importance to the qualities of foreign aid projects, foreign investment projects and engineering projects.

—To be active in developing foreign trade, we shall continue to deepen foreign trade reform and find ways to adapt to the development of the socialist market economy and international trade norms.

Continuous efforts will be made to expand exports, to improve the composition of exports and to raise the quality of exports.

We shall persist in balancing imports and exports.

In expanding exports and maintaining the State's reserves of foreign exchange, imports are to be increased properly according to the development of our national economy.

China's total imports were \$80.63 billion in 1992, 26.4 percent more than 1991's \$63.8 billion.

Judging from the development of the first two years of the Eighth Five-Year Plan period (1991-95), our imports will surpass \$300 billion, which we expected originally for this period.

In a bid to increase our imports, we have drastically cut down tariffs and accelerated the reform of import administration.

With the further deepening of China's reform on foreign trade, foreign commodities will have more chances to enter the Chinese market.

—In line with the requirements of the socialist market economy, the government's function is to be further changed. The work of the Ministry of Foreign Economic Relations and Trade [as published] (Moftec) has been decided to proceed in two steps:

First, structural adjustments within Moftec to reduce micro management departments and strengthen macro administration will be made to promote Moftec's function in macro administration.

Second, Moftec will reduce its staff in order to establish an effective foreign economic and trade macro administration, which has Chinese characteristics and follows the international norms.

Last year, after investigation and study, Moftec completed the first step. It was done according to the arrangements of the Party Central Committee and the State Council.

As a result, some new macro administration departments were established while some micro management departments were abolished.

In addition, the functions of some departments were merged and adjusted. The adjusted departments started operation in January 1, 1993.

To conform to the needs of China's economy, deepen the foreign trade reform, and develop foreign trade, we shall reform China's economic and commercial institutions abroad.

Also, we shall combine the economic section and the commercial section of the embassies (consulate). The new section will be named economic and commercial counselor's office or economic and commercial counselor's office.

At the same time, we shall further clarify the embassies' and institutions' responsibilities. In mid-February, we were already preparing for this reform.

In 1992, China's foreign economic relations and trade stepped on a new stage.

Inspired and guided by Deng Xiaoping's talks during his tour in southern China and the 14th Party congress, China's foreign economic relations and trade have developed rapidly and scored remarkably great successes.

Foreign trade maintained stable and high-speed growth last year.

China's imports and exports hit \$165.63 billion, up 22.1 percent over 1991, of which exports were \$85 billion and



imports \$80.63 billion, an increase of 18.3 percent and 26.4 percent respectively over the previous year.

The total import and export volume surpassed that of the Republic of Korea, Spain, the former Soviet Union and Taiwan combined, rising to the 11th place among the world's major trade countries and regions from 15th in 1991, compared with the 32nd in 1978.

While the exports grew, the imports increased by a big margin, and the growth rate of imports was 8.1 percentage points higher than that of exports.

The composition of exports improved further. The exports of manufactured goods was \$67.95 billion, accounting for 79.9 percent of the total export volume.

The economic results of foreign trade were to some extent better last year than the previous year.

The circulation time of floating funds was 3.28 [as published], 0.49 times faster than that of the previous year, or a growth of 17.56 percent.

With the exports increasing, 6.13 billion yuan (\$1.08 billion) worth of goods in stock for trade were sold.

The foreign trade revenue and expenditure was in balance, and the State's foreign exchange reserves maintained at \$20 billion.

The pace of utilizing foreign capital accelerated and foreign investment increased.

In 1992, 48,476 foreign-invested projects were approved with a contracted investment of \$57.51 billion. Actual invested foreign funds were \$11.16 billion.

Foreign-invested projects with high technology were launched, such as SAW Citroen Automobile Company.

Total investment of the project, to produce 150,000 cars annually, was \$729 million.

Another example was the Guangzhou Pearl River Electric Power Company, whose capacity was designed at 3.3 billion kilowatts. Total investment was \$400 million.

By the end of 1992, the number of registered foreign-invested enterprises was nearly 70,000, with the total actual investment being \$34.16 billion.

The new contractual value of foreign loans was \$10.37 billion, and the actual disbursement \$7.35 billion, respectively up 44.8 percent and 6.7 percent over the previous year.

In 1992, the exports made by foreign-invested enterprises reached \$17.36 billion, up 44.1 percent over the year before.

Taxes from foreign-invested enterprises were 10.7 billion yuan, up 52.3 percent over the previous year.

Their total output value from January to September, 1992, was 125.84 billion yuan (\$22.08 billion), 20 percent more than the previous year.

Some 500 technology introduction contracts were signed in 1992, with a contractual value of \$6.59 billion, respectively increasing 40 percent and 90.5 percent over the year before.

Approved were 294 contracts for technology export with a contractual value of \$1.51 billion, up 18 percent over the previous year.

Contracting for overseas projects and cooperation in labour services continued to develop. In 1992, 9,240 contracts for overseas projects and labour services were signed with a contractual value of \$6.184 billion. The realized turnover was \$2.796 billion.

The net revenue was \$300 million, up 44.23 percent.

By the end of last year, there were 130,000 people implementing contracts abroad.

By the end of last year, 2,416 enterprises had been established in 120 countries and regions, not including Hong Kong and Macao, with the investment of \$1.85 billion.

Better results were obtained in economic and technical aid to foreign countries. Last year, China signed aid agreements with 80 foreign countries and organizations, and loans increased by 13.9 percent over the previous year.

For the whole year, China implemented 267 aid projects and completed 43 ones, while completing more than 100 aid projects. [sentence as published]

China was also active in taking part in multilateral technical aid. It implemented 46 projects for 26 countries, thus promoting exchange and co-operation between China and UN and other regional organizations.

In 1992, China quickened its reform in foreign economic relations and trade.

Provisional Rules on Administration of Export Commodities were formulated on the basis of abolishing export subsidy and taking responsibility for profits and losses in 1991.

According to the rules, export commodities subject to the State quotas and licences were reduced by 52 percent.

Except for 16 very important commodities handled by the State in a unified way, other exports are all open to foreign trade companies.

This reform makes China's export system more suitable to international trade norms.

Last year, China abolished import regulatory tax and reduced import duties first on 225 products and then on 3,371 products, thus bringing down the general level of tariff by 7.3 percent.

China also eliminated all import substitution lists and will not work out such lists in the future.

Licenses are not needed for importing some commodities.

As a result of a series of reform measures, a macro import administration regime is gradually taking shape. It relies on economic levers like tariff as the main regulating means and necessary administrative measures as its supplementary means.

This proves again to the world that China's market is open.

To improve China's foreign economic and trade policy, 47 internal documents were published and 122 documents declared annulled.

Implementing Rules Concerning Changes in Operating Mechanism of Foreign Trade Enterprises were formulated to push the enterprises to change.

At the same time, Moftec readjusted some of its internal departments to adapt to the changed situation.

Some new departments for macro control were established while some departments for micro management were cancelled. The functions of some departments were merged or adjusted.

Diversification of foreign economic and trade market is a concrete embodiment of China's opening to the outside world.

By the end of last year, China had established economic and trade relations with 221 countries and regions, among which 42 are in Asia, 57 in Africa, 47 in Europe, 47 in Latin America, five in North America and 23 in Oceania.

The pattern of diversified foreign economic and trade market has thus taken shape.

So far, more than 200 trade institutions have been established overseas with the approval from Moftec and local foreign economic and trade departments.

Increasing by a big margin were China's trade volumes with countries including the Republic of Korea, Indonesia, Israel, Kenya, Libya, Chile, Venezuela, Fiji and New Zealand.

China's foreign economic and trade relations with each republic of the former Soviet Union were resumed quickly.

China's trade with Russia last year reached \$5.86 billion, surpassing the historical record of China's trade with the former Soviet Union.

China also established trade centers and distribution centers in Hungary, Spain, Argentina, Mongolia and others.

The country's sources for foreign capital have expanded and they now include Cyprus, Lebanon, Poland, Hungary, Romania and Luxembourg.

China's bilateral and multilateral economic and trade relations have also been further developed and improved.

In 1992, we signed three memorandums of understanding with the United States on the issues of market access, protection of intellectual property rights and prohibition of import and export of prison labour products.

Resumed were the Sino-U.S. Joint Commission on Commerce and Trade and visits at the ministerial level, suspended for four years.

Three economic and trade agreements with the government of the Russian Federation were signed, including the Protocol on Economic and Trade Co-operation in 1993.

China also conducted negotiations with Japan and Germany with a view to promote bilateral economic and trade relations.

The areas for China's economic and trade co-operation with developing countries were widened.

The negotiation concerning China's re-entry to Gatt made substantial progress for laying a solid foundation for China to resume its status earlier than planned before.

#### **State Council on Unauthorized Fund Raising**

OW1504111893 Beijing XINHUA in English 0915 GMT 15 Apr 93

[Text] Beijing, April 15 (XINHUA)—The State Council has issued a circular on the halting of unauthorized fund raising and strengthened management of debenture issuance.

The circular states that many localities, departments and enterprises, in violation of state stipulations, have raised funds by issuing debentures at high interest rates. The practice began last year, according to the circular.

"Such a trend, if not halted, will not only affect the monetary situation, but will also cause severe social problems," the circular said.

The circular listed the following measures to curtail these practices:

—The people's government at all levels and various departments should adopt effective measures to stop any unauthorized fund raising activities;

- It is necessary to strengthen management of debenture issuance and strictly control the size of various debentures;
- The localities and various departments should adhere to the regulations outlined in the circular issued by the State Council and relevant stipulations in examination and approval of various debentures;
- Companies, enterprises and other institutions that issue debentures should strictly carry out state policies on permissible interest rates;
- Priority should be given to ensure issuance of state treasury bonds and bonds targeted for state key projects; and
- Those who violate state stipulations by approving and issuing impermissible debentures should be criticized and the leadership should take responsibility for severe violations.

#### Article Urges Studying National Conditions

HK1604032993 Beijing JINGJI RIBAO in Chinese  
26 Mar 93 p 7

[Article by Gong Yuzhi (7895 5148 0037): "It Is Necessary To Be Aware of and Study China's National Conditions"—this article was originally the preface to *Dictionary of China's National Conditions* and has been slightly abridged by JINGJI RIBAO editorial staff]

[Text] To be aware of and study China's national conditions is a matter of vital importance to the Chinese people, to Chinese intellectuals, and to the Marxists in China. This is because China is the country where we have been brought up, where our forefathers lived, and where our descendants will live generation after generation. All our joys, sorrows, and comforts are closely related to China as are all our rights, duties, and responsibilities. The Chinese people must be determined to transform China. However, to transform China, we must have a good understanding of it. We must gain a good understanding in the course of transformation and continue to transform the country on the basis of our understanding.

Seventy years ago, some ambitious young people from Hunan gathered together in Montargis, France, and Changsha, China, to discuss policies for their organization—the "Xinmin Society." They made "transforming China and the world" their common objective. The "Xinmin Society" was one of the many social organizations of young Chinese intellectuals which mushroomed during the May 4th Movement. The fact that "transforming China and the world" was made a common objective of this and many other similar organizations shows that the young intellectuals were not narrow patriots. They had their eyes on the world and international affairs. On the other hand, it shows that they were real patriots who had combined their patriotism with internationalism and who were ready to fight for an

effective transformation of China by proceeding from the realities of this country and even going so far as to give their lives for it. When talking about the purpose of the society, Comrade Mao Zedong said: "By saying transform 'the world,' we have clarified the international nature of our proposition; by saying transform 'China,' we have clarified where to start."

To transform China, it is necessary to find some new ideological weapons. In my opinion, the most practical meaning of "the international nature of our proposition" is to have the whole world in view so that scientific ideological weapons, which conform to the demand of our times and reflect the laws of history, can be found from among all kinds of propositions and doctrines in the international community for social transformation and the social revolutionary movement. At that time, through observation, study, and comparison, the advanced Chinese intellectuals selected the road of Marxism. China's Marxist movement was launched by the people who had planted themselves in China but had the whole world in view. "To face modernization, to face the world, and to face the future." This policy, which was put forward by Comrade Deng Xiaoping for China's educational cause, is also a policy for the Marxist movement in China as a whole.

After China's advanced elements introduced Marxism to their motherland, they could not but engage in disputes with all kinds of arguments resisting and opposing the introduction of the Marxist theory. One very important argument held that Marxism "did not conform to China's national conditions." To people's surprise, China's national conditions were used as a pretext for refusing the scientific achievements of world civilization and progress! The invoking of the so-called "China's national conditions" was but a theory to facilitate sticking to the old ways and closing China to international intercourse and a theory for keeping China out of the world trend of civilization and progress. China's Marxists carried out resolute struggles against all these arguments.

At the same time, China's Marxists also made unswerving efforts to fight against another trend—that of refusing to combine Marxism with China's national conditions and the concrete practice of the Chinese revolution. In other words, on the question of relations between Marxism and China's national conditions, the Chinese Communists and the ideological workers under the leadership of the party had been fighting on two fronts all the time. They opposed both the practices of rejecting Marxism under the pretext of "China's national conditions" and applying Marxism blindly without studying China's national conditions.

Whether we should use, and are good at using, Marxism to study China's national conditions so that Marxist theory can be combined with the concrete practice of the Chinese revolution and construction, is also an important question concerning the destiny of Marxism in China and whether or not we can achieve victory in the



cause of using Marxism to guide, understand, and transform China. If we do not study China's national conditions seriously and absorb and apply the scientific achievements of world civilization and progress in light of China's realities, and if we believe that we can transform China merely by mechanically copying books and foreign experiences, we will surely encounter serious setbacks even if what we have mechanically copied is the scientific truth of Marxism.

A great contribution by Comrade Mao Zedong, and the CPC leadership collective with Mao Zedong as the nucleus, was that they applied Marxism in the study of China's national conditions in a creative way and, on the basis of summing up both positive and negative experiences of the Chinese revolution, found a road of new democratic revolution with Chinese characteristics to lead the Chinese revolution toward victory. This was the first historical leap in combining Marxism with the practice in China.

Comrade Mao Zedong pointed out a long time ago: Being Chinese, we have to carry out on-the-spot investigation and study of the situation in "China," which is the territory under our control. In his *Oppose Book Worship*, he said in definite terms that "no investigation, no right to speak" and that "the victory of the Chinese revolutionary struggle depends on how much the Chinese comrades understand China's national conditions." It was a call to the whole party for a conscientious study of China's national conditions in order to correct the ideological line. In his "Analysis of the Classes in Chinese Society," he made an outstanding analysis of China's class situation—the most important content of the national conditions. In his "Foreign Forces, Warlords, and Revolution" and "Strategy Problems in China's Revolutionary War," he made a vivid and profound summation of a basic characteristic of China's national conditions—the imbalance in political and economic development. The imbalance in the political and economic development in China, a big semicolonial country, was a basic factor deciding the strategy for China's revolutionary development. It was also an objective basis for the establishment of rural revolutionary bases and for the revolutionary road of encircling the cities from the rural areas. In his "Chinese Revolution and the Chinese Communist Party" and "On New Democracy," he made a systematic and thorough exposition of the semicolonial and semifeudal nature of China's modern society; the historical characteristics and international environment of the Chinese revolution; the targets, tasks, motive force, nature, and future of the Chinese revolution; and the political, economic, and cultural programs of new democracy, thus forming a complete theory for the Chinese revolution. In his speech at the Second Plenary Session of the Seventh CPC Central Committee, he took China's basic national condition, which was "a reflection of the nature of the old semicolonial and semifeudal Chinese society" (throughout the whole nation, modern industries made up about 10 percent of the national economy while agriculture and

handicraft industry made up about 90 percent), as a "basic starting point of all issues in a rather long period of the Chinese revolution, including a long period after the victory of the revolution." He pointed out the basic channel for changing China's new democratic society into a socialist society after achieving nationwide victory. Even to this day, we should still study these scientific works in order to understand and study China's national conditions.

After the founding of the PRC, the party's leadership collective, with Comrade Mao Zedong as the nucleus, continued to creatively apply Marxism in the study of China's national conditions. Generally speaking, they were proceeding from China's realities when carrying out the tasks of rehabilitating the national economy and the democratic revolution and carrying out socialist economic construction and socialist transformation of the means of production. That is why great victories were achieved. The First Session of the Eighth CPC National Congress made a basically scientific exposition of China's basic conditions, which had changed greatly after those great victories had been achieved (including the change in the class situation and the main contradictions), and the basic tasks.

After that, we continued to achieve many victories but we also suffered several setbacks, such as the "Great Leap Forward," the "tendency to effect the transition to communism prematurely," and the "Great Cultural Revolution." A reason for the setbacks was that we became imprudent after achieving victories and deviated from the ideological line of seeking truth from facts and carrying out investigation and study. In the economic and political strategies, instead of making scientific judgments of the basic national conditions and correct assessments of the objective situation, we were confused by some false phenomena (or some temporary and partial phenomena), wrong judgments, and subjective wishes.

The greatest contribution made by the party's leadership collective, with Comrade Deng Xiaoping as the nucleus, after the Third Plenary Session of the 11th CPC Central Committee was that they had readopted and reestablished an ideological line of seeking truth of facts; creatively applied Marxism in the study of the national conditions of modern China, the study of both positive and negative historical experiences in the past decades since the founding of the state, and the study of international experiences and the world situation; and they had opened up a new period of China's socialist development. This was the second historic leap in combining Marxism with China's realities.

Comrade Deng Xiaoping's speech at the Third Plenary Session of the 11th CPC Central Committee, entitled "Emancipate the Mind, Seek Truth from Facts, Unite and Look Forward," was an appeal to the whole party to correct the ideological line, bring order out of chaos, and to carry out comprehensive reforms. Only by emancipating the mind and taking practice as the only criterion

of truth, can we shake off the yoke of both the external patterns for concrete structures of socialism and the established patterns of our own and can we find a road of building socialism which suits China's national conditions. The scientific judgments made by Comrade Deng Xiaoping on the main contradictions in Chinese society during the current stage and on the main tasks is the theoretical foundation for the whole party and the people throughout the country in shifting the focus of their work. In his opening speech at the 12th CPC National Congress, Comrade Deng Xiaoping pointed out clearly: "Things in China should be done in light of China's conditions and by relying on the efforts of the Chinese people." "It is necessary to combine the universal truth of Marxism with China's concrete practice, follow our own road, and build socialism with Chinese characteristics. This is a basic conclusion we have drawn after summing up our long-term historical experiences." Under Comrade Deng Xiaoping's guidance, our party has drawn an inference that China is now in the initial stage of socialism. This is a comprehensive summation of the basic national conditions of contemporary China in terms of their social nature and development stage. The expression of this social nature in the economic field should also be regarded as the "starting point of all issues" for a rather long period to come. Our party has also worked out a basic line for the initial stage of socialism and outlined the economic, political, and cultural programs for this stage. Comrade Deng Xiaoping has put forward and supported a series of major policies and strategic decisions, such as: Under socialism, "it is first necessary to shake off poverty and backwardness and vigorously develop the productive forces"; the strategy of developing the economy by three stages; the development of diverse economic sectors with public ownership as the main body; the diverse forms of distribution with distribution according to work as the main body; the policy of encouraging some people and some areas to become rich before others while taking common prosperity as the target; the policy of implementing the responsibility system in the rural areas, with the contract responsibility system on a household basis with remuneration linked to output as the main body, and encouraging the development of township and town enterprises; the establishment of special economic zones and opening of coastal cities in the course of reform and opening up; the principle of promoting both material civilization and spiritual civilization with both hands; the principle of grasping reform and opening up in one hand and with the other grasping adherence to the four cardinal principles, strengthening ideological and political work, opposing bourgeois liberalization, and cracking down on economic crimes; and the policy of seeking reunification of the motherland by implementing the idea of "one country, two systems." These are all important creative policies for building socialism with Chinese characteristics in the current stage, which have been worked out in light of China's national conditions. The great achievements we have made over the past 10 and more years in our modernization drive, reform, and opening up are achievements of building

socialism in light of China's national conditions. Comrade Deng Xiaoping's scientific works and the important documents of the party Central Committee since the Third Plenary Session of the 11th CPC Central Committee are all required reading for us to understand and study China's national conditions and building socialism with Chinese characteristics.

To understand and study China's national conditions is a task that should be carried out without interruption. The study of the comprehensive and overall national conditions should be combined with the investigation and study of the specific situations in various provinces, cities, counties, and townships and the investigation and study of the specific situations in various spheres, departments, and aspects of the productive forces, production relations, the superstructure, and social life. When studying our national conditions, we must study the new developments and new changes in our modernization drive and the course of reform and opening up. The study of the current national conditions cannot be separated from the study of their historical development. It is also necessary to make predictions on their future development. Although it is necessary to lay the stress on the study of economic, political, and social affairs when studying national conditions, it is also necessary to pay attention to natural affairs. We are not advocating that the population and geographical environment will decide everything but the population, environment, and resources (including land, mineral, power, water, and species resources) are important restrictive factors in economic and social development. To understand and study the national conditions, we should not neglect these aspects. Qualitative study should be combined with quantitative study as far as possible and the vertical comparison should be combined with the horizontal comparison between various regions of our country and the horizontal comparison between China and other countries and regions. In short, this is a very complicated task which demands our unremitting efforts. We must understand that education in the national conditions is an important basis for our patriotic education, socialist education, and Marxist theoretical education. The study of national conditions is an important basis for making scientific policy decisions, making theoretical summations of the social sciences, and improving the style of theoretical research so that it can be closer to the realities of China. It is also an important basis for training the contingent of theoretical researchers so that they can strike root in the land of China.

In his speech entitled "Patriotism and the Mission of Chinese Intellectuals," which was delivered in 1990 on the day marking the "April 5th Incident," Comrade Jiang Zemin called on intellectuals to proceed from China's realities and conscientiously study the basic theories of Marxism to gain a profound understanding of the national conditions, sum up the practical experiences of the masses of people, and make great efforts to explore the objective laws of modern construction. He pointed out: "To study the society and the national conditions, to

integrate theory with practice, and to understand and transform the world through practice," is a correct road for the intellectuals to develop themselves. This is a call to the intellectuals and also a call to the youth and people throughout the country.

Over the past 70 years or so since the May 4th Movement, the proletarian revolutionaries of the older generation have led our party in achieving brilliant victories in understanding and transforming China by integrating Marxism with China's practice. The semicolonial and semifeudal old China has been transformed into an initially prosperous socialist New China. However, this task of transforming China has not yet been fulfilled. We must make continuous efforts to advance bravely forward along the road of building socialism with Chinese characteristics, which was opened up by the Third Plenary Session of the 11th CPC Central Committee, in light of China's national conditions. We must further transform China, which is still poor and backward in the economic, cultural, and many other fields, into a prosperous, democratic, and civilized modern socialist country. Socialism is facing a severe test in China and throughout the whole world. By continuing to apply the basic principles of Marxism creatively in studying China's national conditions and the changes in the world, by strengthening the vitality of socialism in the course of reform and opening up and actively absorbing all progressive and scientific achievements of world civilization, and through their persistent efforts in the coming decades, the Chinese Communists will surely be able to realize their long-cherished wishes and build China into a modern socialist country. To transform China, rejuvenate the Chinese nation, and achieve victories in the modernization drive on the basis of socialism will certainly produce a great impact on and be of great significance to the future and transformation of the world.

#### **Customs Department Reports Rise in Trade Volume**

OW1404223393 Beijing XINHUA in English 2104  
GMT 14 Apr 93

[Text] Beijing, April 14 (XINHUA)—China's import and export volume in the first three months this year reached 33.35 billion U.S. dollars, 16 percent more than in the same period of last year, according to statistics of the General Administration of Customs.

The statistics show that the country's export volume in the period was 16.09 billion U.S. dollars, a 7.4 percent increase over the same period of last year while the import volume amounted to 17.26 billion U.S. dollars, up 25.4 percent.

After deducting those import and export items without paying or collecting money which included aid given gratis, donations, supplied material processing and equipment imported for foreign-funded enterprises, China earned 13.11 billion U.S. dollars in foreign exchange from export and paid 12.04 billion U.S. dollars

in foreign exchange for import, increasing by 6.6 percent and 17.5 percent respectively.

The import volume of such commodities as finished oil, paper, paper matrix, rolled steel, copper, textile machinery, industrial sewing machines, machine tools, integrated circuits, automobiles and planes rose remarkably.

#### **Deputy Auditor-General Comments on System**

OW1504130993 Beijing XINHUA in English 0925  
GMT 15 Apr 93

[Text] Beijing, April 15 (XINHUA)—China now has over 2,800 auditing offices, with 25,800 employees.

In the past ten years these offices have handled more than 2.43 million cases of capital and production inspection. Their inspections have revealed problems such as fraud and brokers "working out of suitcases."

More than 300,000 verification and economic efficiency consultation cases and over 100,000 economic disputes and criminal cases were handled in the past ten years.

The Chinese auditing departments have to oversee the businesses of over 400,000 state-owned enterprises, as well as large numbers of collective and foreign-funded firms.

Auditing groups of different locations should be placed under the control of the auditors association of the state and guarantee their impartial and objective positions, said Li Jinhua, China's deputy auditor-general.

"Our aim is to set up an auditing system in keeping with the needs of the socialist market economy," Li said.

#### **Foreign Exchange Market Regulations Made Public**

OW1504120193 Beijing XINHUA in English 1148  
GMT 15 Apr 93

[Text] Beijing, April 15 (XINHUA)—The regulation on managing the foreign exchange swap market was publicly disclosed by the State Administration of Exchange Control (SAEC) for the first time today.

An official from SAEC in charge of market management said that the move is aimed at maintaining market order and strengthening legal and social supervision.

The foreign exchange swap market is the main channel for Chinese enterprises and institutions to sell and buy foreign currencies outside the government's allotment plan. Trading prices fluctuate according to changes in supply and demand.

According to the regulation, the swap markets can deal with trade between Chinese renminbi and the U.S. dollar, the Hong Kong dollar, the Japanese yen, the British pound, the Deutsche mark and the French franc.



The main sources of hard currency sold on the markets are Chinese enterprises, foreign-funded ventures and donated hard currency, and other hard currency with approval of SAEC.

Enterprises and institutions can buy foreign exchange on the markets as long as their needs are in line with the country's priority list guiding the use of foreign currency.

The regulation stipulates that the trade will be conducted at a floating rate, decided by supply and demand.

If the market rate fluctuates too sharply, the People's Bank of China, the central bank in China, will adopt economic, administrative and legal measures to stabilize the price, the official said.

To allow foreign exchange to circulate nationwide, the regulation prohibits local government bodies from blocking the free flow of foreign exchange with administrative measures.

The regulation also prohibits covert trading outside the swap centers and diverting foreign exchange bought on the market for unauthorized purposes.

China opened the foreign exchange swap business in 1980. After Shenzhen, the first special economic zone in China, set up the country's first swap center in 1985, more than 100 such centers have sprouted up around the nation.

In recent years, the trading volume of swap markets has been increasing by 30 to 40 percent annually. A total of 25.1 billion U.S. dollars worth of foreign exchange was traded on the markets last year, which accounted for 49 percent of the nation's foreign exchange used for imports.

### Computerized Information Network Takes Shape

OW1504130893 Beijing XINHUA in English 0918  
GMT 15 Apr 93

[Text] Beijing, April 15 (XINHUA)—A nationwide network of computerized information covering domestic and foreign industrial and commercial businesses has taken shape in China.

The network records messages concerning enterprise registration, markets, ads, contracts and arbitration as well as investigation of illegal economic activities, according to Yu Yudong, director of the information center of the State Administration of Industry and Commerce.

The official said that some 62 percent of the state's industrial and commercial bureaus at provincial levels have data-processed all their domestic enterprises; some 70 percent of them have data-processed all foreign-funded enterprises.

The rapid development of data bases and data-storage systems nationwide has effectively strengthened the government's macro economic administration and supervision.

The director said that the state will further enlarge the scope of this information network this year and will set up a joint information network in over 80 percent of the state's bureaus of industry and commerce at prefectural levels; computerized information administration will also be realized in some 40 percent to 50 percent of the nation's counties as well as in the key markets this year.

### Productive Forces Centers Aid Rural Enterprises

OW1504141393 Beijing XINHUA in English 0615  
GMT 15 Apr 93

[Text] Nanjing, April 15 (XINHUA)—Productive Forces Promotion Centers (PFPC) that are booming nationwide in China are playing a no small role in promoting the production of small and medium-sized enterprises in the rural areas.

Li Xue, an official with the State Science and Technology Commission, spoke highly of such organizations established with the aim of providing technical services for China's small and medium-sized enterprises.

"The establishment of PFPC is another pioneering undertaking of the State Science and Technology Commission in deepening reform," he told a national working conference in Nanjing, adding that it has furnished another example of how sciences and technology serve the economic development.

He compared it to the Torch Program and Star Program that the commission launched a few years ago to help with technical development in rural areas. These programs have greatly benefited local areas.

The working conference urged all local areas to create more PFPCs in an attempt to form a nationwide network in the coming five years.

The PFPC program which started in August last year on a trial basis, is expected to help improve the technical level of China's rural enterprises by providing services such as personnel training, technical consultation, management advice and technical development.

Last year the State Science and Technology Commission decided to enhance the competitiveness of China's rural enterprises which were relatively backward in their technology.

So far, ten provinces and municipalities including Shandong, Liaoning and Jiangsu Provinces and Chengdu, capital of Sichuan Province, and Xian, capital of Shaanxi Province, have set up PFPCs involving mechanics and light industry among others.

The Shandong provincial PFPC offered about a million items of economic information for rural enterprises in

the province. Evident economic and social returns were achieved, according to local officials.

In another development, the Zhejiang provincial mechanics research institute improved the technical level of casting among China's enterprises.

Officials said that the establishment of PFPC also provided a wide market for science and technology researchers and institutes. A group of talent banks, enterprise demand registration banks and products information banks have been founded to serve as bridges between enterprises and institutes.

A team of experts from the PFPC of light industry has "diagnosed" 19 enterprises and offered them advice. These enterprises have since promoted their technical and management level.

In some areas like Jiangsu Province, a network of PFPCs has been formed.

### **CAS High-Tech Conglomerate Planned in Beijing**

*OW1504121193 Beijing XINHUA in English 0919 GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—The Chinese Academy of Sciences (CAS) is to organize a high-tech enterprise group, known as the Zhongke (China Science) Group company.

The foundation stone-laying ceremony for the Zhongke building was held today at Zhongguancun, in northwest Beijing, known as China's "silicon valley."

A CAS spokesman revealed that the group consists of 29 member enterprises, with the Da Heng, Hope and San Huan companies as the core. The registered capital of the conglomerate is 200 million yuan.

The CAS was the first to set up high- and new-tech enterprises at Zhongguancun, and in the past few years it has made great progress in the application of high- and new-technologies.

CAS president Zhou Guangzhao asked the Zhongke Group to match itself to the development of China's socialist market economy and the intense competition among domestic and foreign high-tech enterprises.

He urged the group to bring CAS's comprehensive advantages into full play, promote the industrialization of scientific and technological findings and widely cooperate with domestic and foreign enterprises, so as to develop in the direction of large scale, industrialization and internationalization.

### **Hubei To Supply Water to Beijing Area**

*HK1504033693 Hong Kong THE STANDARD in English 15 Apr 93 p 1*

[By Catherine Ng]

[Text] China will start a construction project to transfer water resources from central provinces to the north, especially Beijing, if and when the capital city succeeds in its bid to host the 2000 Olympics.

According to Wu Zheng-feng a member of Danjiang-kou city People's Political Consultative Conference in central Hubei, construction of the project would involve resettlement of some 90,000 people.

"The whole project aims at diverting water resources from Hubei province to the north by lifting the height of the Danjiangkou dam," Wu said.

The water would be sent through a pipeline to Beijing via the Henan and Hebei provinces.

Wu said that raising the height of the Danjiangkou dam alone would cost 600 to 700 million yuan (HK\$808-\$943 million [Hong Kong dollars]). The dam project was expected to take seven years to complete, he said.

Xiao Caichong, a senior engineer of the Water Resources Ministry at Danjiangkou, said the height of the dam would be elevated from 81 metres to about 96 metres.

"By doing so, water storage will be increased from 17 billion cubic metres to about 29 billion cubic metres," Xiao said.

The Danjiangkou dam, which is at the intersection of Hanjiang and Danjiang Rivers in Hubei province, is the largest artificial reservoir in Asia.

### **Li Lanqing Attends Contract Signing Ceremony**

*SK1504113893 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 14 Apr 93*

[Text] Recently, a ceremony was held in Beijing to sign the contract of importing a high alloy steel [words indistinct] continuous rolling machine, a key technological transformation project of the state during the Eighth Five-Year Plan period, from the (Ximake) Corporation in Germany by Dalian Iron and Steel Plant. Li Lanqing, vice premier of the State Council, attended the signing ceremony. This newly imported machine is of the current advanced world level. The total investment is estimated at 520 million yuan and the annual production capacity at 200,000 tonnes of alloy steel.

### **Li Lanqing Inspects Guangdong Commodities Fair**

*OW1504130093 Beijing XINHUA in English 1055 GMT 15 Apr 93*

[Text] Guangzhou, April 15 (XINHUA)—The 73rd China Export Commodities Fair opened in this capital city of south China's Guangdong Province today.

Some 3,380 businessmen from 76 countries and regions in the world attended the opening ceremony.

Wednesday [14 April] evening Vice-Premier Li Lanqing inspected the exhibition halls of the fair, and this afternoon he held discussions with its organizers.

After the opening ceremony, Zhu Senlin, director of the fair and governor of Guangdong Province, and Gu Yongjiang, deputy director of the fair and vice minister of foreign trade and economic cooperation, met businessmen from Hong Kong and Macao.

The current fair will focus on light and textile commodities.

Zhu said that there are more than 50,000 kinds of commodities on display.

He added that more than 2,700 enterprises are participating in the fair, an increase of nearly 100 percent over the last fair.

### **Outgoing NPC Chairman Warns of Peasant Unrest**

*HK1504150593 Hong Kong TANGTAL in Chinese No 25, 15 Apr pp 13-14*

[Article by Lu Yu-sha (7627 6276 2619): "Wan Li Delivers Speech, Expressing Worry About Peasant Rebellion"]

[Text] Li Peng's work report was too commonplace really to arouse the deputies' interest. But the deputies told each other about the speech made by Wan Li, the out-going chairman of the National People's Congress [NPC] Standing Committee, at a preparatory meeting of the NPC Presidium. It is a pity, however, that the speech was not published.

At the preparatory meeting of the NPC Presidium held on the morning of 14 March, Wan Li said: "I am about to give up my post to my successor. The revered general secretary (namely Jiang Zemin) told me to say something. Now let me follow his advice."

Wan Li said that in discussing the draft government work report he had suggested to Li Peng that a special part of his report be devoted to existing problems. It was a pity the finalized draft failed to highlight the problems. So he availed himself of the opportunity to speak to the following effect.

**Peasants Said They Need "Chen Sheng and Wu Guang"** [Chen Sheng and Wu Guang were leaders of the first large-scale peasant uprising in China's history]

Both Mao Zedong and Zhao Ziyang paid great attention to rural problems. They believed that the problems were a matter of overall importance, and that we would get into trouble if we failed to address them properly. After the founding of the People's Republic, Chinese peasants were in a position of being exploited. After reform was introduced, Chinese peasants had their income increased a little. Some people, however, accordingly considered peasants as obtaining vested interest, and maintained

that peasants should make "greater contributions." This means that the peasants are exploited again.

What on earth is the countryside like now? There is a hidden unemployed population in 50 percent of villages. When conducting investigations and studies in the countryside, a democratic party member asked a peasant what they need. The peasant replied: "We need nothing but Chen Sheng and Wu Guang." This remark merits our vigilance!

Wan Li pointed out: In many rural areas, peasants were forced to revolt against the officials. They surrounded the township government office, beat up party-member cadres, and refused to pay levies and taxes. This was because we failed to bring a change to the countryside in the last 40 years.

The contract responsibility system on a household basis with remuneration linked to output is a major achievement of rural reforms. Nevertheless, this system was created by peasants rather than by the party, it was only approved by the party.

Wan Li stressed: The situation in the countryside is desperate. Wan Li finally said: There are many local despots in the countryside now. (Editor's note: Local despots, for example, were involved in the recent Daqizhuang incident).

While serving as secretary of the Anhui Provincial CPC Committee, Wan Li vigorously supported peasants in introducing the contract system and in dividing the land among peasants for them to go it alone. At that time, peasants said: "If you want grain, ask Ziyang for it; if you want rice, ask Wan Li for it." Later, Wan Li served as vice premier in charge of agricultural production, so what he said should carry weight.

Wan Li's remarks and his bold recognition of rebellions in the countryside soon spread in and out of the conference room.

In fact, the situation was made known to the CPC hierarchy early last year, but it failed to attract due attention until late last year when Deng Xiaoping said that the root cause of trouble, if any, in the nineties, lies in agriculture, which aroused the attention of Jiang Zemin and other CPC leaders to rural problems. In December last year, Jiang Zemin presided over a six-province forum on agriculture and rural work. The meeting demanded that peasant burdens be lightened and no more "white slips" be given to peasants as IOU's. At the national video telephone conference on rural work held immediately after the forum, Li Peng addressed the same problems. When the "two sessions" were being held in Beijing, the CPC Central Committee General Office and the State Council General Office jointly issued an emergency notice to every locality across the land demanding that "resolute measures be taken to lighten peasant burdens." Why is it they made this task a pressing one? It seemed that Wan Li's remarks were the answer.



### The Peasants Are Still Exploited

Since the CPC founded the People's Republic, it has also set up a dual society, in which peasants have been regarded as secondary citizens. The reform has called for change in the old social relations, but peasants' status has remained unchanged. If we incorporate old privileges in the market economy, it must be a corrupt economy. At present, China's upper classes of society accumulate their wealth through exchanging power for money and through corruption rather than through management of the economy, while the peasants, who are at the bottom of society, become the victims who are exploited to the greatest extent. The rebellions in rural areas mentioned by Wan Li show the seriousness of the rural problems.

Apart from "white slips," there have appeared "green slips" in recent years. "Green slips" refer to the slips as IOU's handed to peasants by post offices (in China, the symbol used by post offices is green in color, so peasants refer to the slips as "green slips"), which were unable to cash the postal remittance. This means: The money sent by peasants who worked on construction sites in south China to their home place was not given to the receivers in cash. The post offices only gave the receivers "green slips" as IOU's.

In present China, peasants are not only exploited by new landlords and local despots, but also by various industrial and commercial enterprises, tax bureaus, and public security offices under different disguises when they work as laborers in urban areas.

The excessive burden for peasants certainly constitutes a social problem rather than a purely economic problem. The whole society is now forcing peasants to follow the example of Chen Sheng and Wu Guang.

During the "4 June" incident in 1989, there was a considerable difference between the demands of intellectuals and students and the demands of the majority of the people. The former wanted "democracy," but the latter opposed "officials-engineered speculation." At a time when the market economy is developing rapidly as it is nowadays, the demand for "democracy" has clearly given place to the demand for "a crackdown against corruption." If we cannot fundamentally solve the problem of corruption by introducing structural reforms, we will be unable to solve rural problems.

### Agriculture Minister Pledges Help for Peasants

HK1504053293 Beijing CHINA DAILY in English  
15 Apr 93 p 1

[By staff reporter Wang Yonghong: "Minister Pledges To Help Poor Farmers"]

[Text] Newly-appointed Minister of Agriculture Liu Jiang has vowed to do all he can to raise farmers' annual per capita income to 1,200 yuan (\$210).

"It is imperative—but also feasible—to realize such a goal, despite the obvious difficulties," the minister told

the closing session of a national seminar on rural livelihood, which opened in Beijing on Monday.

To meet the goal, the minister said, it is crucial to keep an annual growth rate of at least 3.9 percent in agriculture and 15 percent in rural industry through this century.

Last year, China's farmers earned an average of 760 yuan (\$127), up 4 percent from 1991.

Firm efforts must be made to ensure that development of agriculture and the rural economy be sustained or even accelerated, the minister told representatives from State ministries and departments and the country's more than 100 richest rural counties—those with annual per capita income exceeding 1,000 yuan (\$167).

Participants in the seminar—which was organized by the Research Office of the State Council, the State Planning Commission and the Ministry of Agriculture—discussed their experiences in developing agriculture and the rural economy and gave their recommendations.

"The prosperity of 900 million farmers, accounting for 80 percent of China's total population, has a significant bearing on the prosperity for China's whole nation, as well as on the rapid development of the country's economy," said the 53-year-old Liu, who became minister of agriculture only two weeks ago.

Liu set different standards to be met by the turn of the century; Farmers in economically developed rural and suburban areas should make at least 1,500 yuan (\$250) a year; those in less developed areas should make 1,200 (\$210); and those in underdeveloped areas should earn 1,000 yuan (\$167).

According to available statistics, China had 117 rural counties with per capita net income surpassing 1,000 yuan in 1991. Of them, 84.6 percent were in the eastern part of the country.

Last year, however, the number passed 200 as a result of the country's economic surge.

But those developed counties account for only about 10 percent of the nation's 2,000 counties.

To help boost the rural economy and raise farmers' incomes, Liu said the central government has outlined some preferential policies for the development of processing and tertiary industries in the country's vast rural areas. Over the past decade, this approach has been effective in bringing prosperity to the countryside.

While continuing to support these poverty-stricken areas with relief projects, Liu said the State will encourage the developed areas and rich counties to provide help.

Liu said that by the year 2,000, with the help of agricultural development, the country's per capita grain production should reach 400 kilograms and cotton production, 4.1 kilograms.

## East Region

### Shandong People's Congresses Elect Leaders

#### Dongying City

SK1504114393 Jinan DAZHONG RIBAO in Chinese  
16 Mar 93 p 2

[Text] The First Session of the Third Dongying City People's Congress was held 6-12 March.

The session elected Liu Yi [0491 2022] chairman of the third city people's congress Standing Committee; and Wang Dinghai [3769 0002 3189], Jiang Chengquan [5592 2052 0356], Yang Qingde [2799 1987 1795], An Jiaxun [1344 1367 6064], Li Xianjun [2621 3759 6511], and Zhang Xizhi [1728 1585 5347] vice chairmen of the city people's congress Standing Committee.

The session also elected Zhang Qingli [1728 1987 7812] mayor of the city people's government; and Yan Qijun [7051 07960193], Hao Dundian [6787 2415 0368], Li Jixiang [2621 0679 4382], Teng Huaying [3326 0553 6601], Wang Baoguo [3769 1405 0948], and Jiang Zhenbang [1203 2182 6721] vice mayors.

#### Weifang City

SK1504114093 Jinan DAZHONG RIBAO in Chinese  
16 Mar 93 p 2

[Text] The First Session of the 12th Weifang City People's Congress was held 10-15 March.

The session elected Sun Jialian [1327 0857 3550] chairman of the city people's congress standing committee; and Ren Bolu [1117 2672 2839], Li Huixin [2621 1920 0207], Yu Hongji [0060 3163 0679], Liu Wenju [0491 2429 5112], Chang Huaiyi [1603 2037 5030], Dong Jianchun [5516 1696 2504], Liu Yuanshun [0491 6678 7311], and Huang Chunfu [7806 4783 4395] vice chairmen of the city people's congress standing committee.

The session also elected Wang Dahai [3769 1129 3189] mayor of the Weifang city people's government; and Wang Yufen [3769 3768 5358], Wang Boxiang [3769 0130 4382], Fang Zhongchang [2075 1813 2490], Xu Jian [1776 7003], Wang Zaihui [3769 0961 6540], Wang Xiujuan [3769 4423 1227], and Wang Guangming [3769 0342 2494] vice mayors.

### Activities, Remarks of Shandong's Jiang Chunyun

#### Discusses Implementing Guidelines

SK1604110693 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 10 Apr 93

[Text] The 10th Plenary Session of the Fifth Shandong Provincial CPC Committee was held in Jinan 7-10 April. This plenary session's major tasks were to study and implement the guidelines of the Second Plenary Session of the 14th CPC Central Committee, the First Session of

the Eighth National People's Congress [NPC], and the First Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC]; to further implement the 14th CPC National Congress guidelines under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line; to mobilize and organize the vast numbers of party members, cadres, and the masses to seize the favorable opportunity to deepen reform, expand opening up, and accelerate the pace of economic development; and to prepare for the forthcoming first session of the eighth provincial people's congress and the first session of the seventh provincial CPPCC committee.

The plenary session examined, discussed, and endorsed, in principle, the suggestion for readjusting major targets of the province's Eighth Five-Year Plan and the program on restructuring the province's party and government organizations. The plenary session discussed the provincial advisory commission's report on suggestion for abolishing the advisory commission of the provincial party committee and made resolution for it. The plenary session examined, discussed, and endorsed the namelist of the selected leaders of the provincial people's congress standing committee, the provincial government, the provincial higher people's court, and the provincial people's procuratorate, which were submitted by the provincial party committee standing committee after consulting with the inner-party and nonparty personages, and which will be recommended to the first session of the eighth provincial people's congress as well as the namelist of the selected leaders of the provincial CPPCC Committee, which will be recommended to the first session of the seventh provincial CPPCC committee. The plenary session decided to recommend the above two namelists to the presidiums of the first session of the eighth provincial people's congress and the first session of the seventh provincial CPPCC Committee.

Jiang Chunyun, secretary of the provincial party committee, stressed eight opinions on implementing the guidelines of the Second Plenary Session of the 14th CPC Central Committee, the first session of the Eighth NPC, and the first session of the Eighth National CPPCC Committee.

First, we should correctly understand the current situation and keep sober-minded. We must have a clear and correct understanding of the current economic situation. We should catch sight of not only the major aspect of the excellent situation, but also the aspect of problems and difficulties. Only by doing so can we gain the initiative in economic work, avoid major twists and turns, and maintain the good trend of economic development.

Second, we should seize the opportunity and accelerate development. To seize the opportunity and accelerate development, the key lies in seizing the opportunity. In reviewing the practice since the province's reform and opening up, we have obtained not only the experience of seizing the opportunity but also the lesson of missing the

opportunity. To seize the opportunity and accelerate the development, we must persistently integrate the emancipation of the mind with the practice of seeking truth from facts and must integrate the enthusiasm for accelerating development with the scientific attitude of seeking truth. We should not only try our best to accelerate development but also act according to our capability by proceeding from the reality.

Third, we should strive to make this year's economic work successful, with emphasis on the current work. This year is very critical to the economy. To fulfill this year's targets, we must work hard. Party and government organizations at all levels should arouse their spirit, press forward in the face of difficulties, and try every possible means to overcome difficulties to ensure a new and even greater progress for all of the primary, secondary, and tertiary industries.

Fourth, we should further deepen the reforms in various fields in line with the demand for establishing the socialist market economic system. The rural reform should be focused on developing market-oriented agriculture in a steady and coordinated manner. The central link of the enterprise reform is to accelerate the change of operational mechanism of enterprises and the change of government functions, which should be stressed simultaneously, in order to truly push enterprises to the market. The reform of the circulation system should be focused on solving deep-rooted problems based on the relaxed control in four aspects last year.

Fifth, we should increase the dynamics of reform and strive for major headway in increasing export and foreign exchange earnings and in importing foreign funds and technology. The whole province should further emancipate the mind, renew ideas, and change mindsets. We should dare to develop and strengthen ourselves by taking advantage of the successful achievements and experiences gained by all civilizations in the world, including capitalist countries. We should strive for an even greater progress in developing foreign export trade, in utilizing foreign funds, and in conducting cooperation and exchange with foreign countries.

Sixth, we should pay attention to scientific and technological progress to ensure the high-speed and high-efficient growth of the national economy. The development of agriculture, industry, and the tertiary industry should all be based on scientific and technological progress. After grasping this point, we will grasp the essentials of economic development. At the moment, the most urgent task is to carry out technological grafting and transformation among existing enterprises. This is the key to pushing the provincial economy to a new level and stage.

Seventh, we should persist in simultaneously strengthening the economic work and the work in the ideological and political sphere. We should enable the vast numbers of cadres and the masses to firmly embrace the five spirits advocated by Comrade Xiaoping, namely, the

revolutionary and death-defying spirit, the spirit of strictly abiding by discipline and self-sacrifice, the spirit of being selfless and putting other people's interest ahead of our own, the spirit of crushing all enemies and overcoming all difficulties, and the spirit of being optimistic in revolution and surmounting every difficulty to win victory.

Eighth, we should strengthen party building and intensify and improve party leadership. Here lies the key to decide whether we can seize the opportunity to accelerate development. Party organizations at all levels should exert great efforts in strengthening the building of ideology, organization, system, and work style of their own.

Attending this plenary session were 48 members and alternate members of the provincial party committee. Attending the session as observers were 126 persons, including members of the provincial advisory commission, members of the provincial discipline inspection commission, and pertinent responsible comrades.

### Views Family Planning

SK1404123493 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 11 Apr 93

[Text] On 11 April, the provincial party committee and government held a grand meeting to commend the cities, prefectures, and units that were outstanding in carrying out family planning and to sign the responsibility letters to fulfill the 1993, 1994, and 1995 population and family planning targets. Attending the meeting were provincial leading comrades Jiang Chunyun, Zhao Zhihao, Gao Changli, Ma Zhongcai, Tan Fude, Li Zhen, Song Fatang, Lu Maozeng, and Ding Fangming. Also attending were Liu Hanbin, vice minister of the State Family Planning Commission; Qu Jining, deputy political commissar of the Jinan Military Region; Yang Juqing, deputy political commissar of the provincial military district; and responsible comrades of departments concerned.

In 1992, the province achieved marked results in family planning work, and all cities, prefectures, and counties fulfilled the birth rate control target. The provincial party committee and the provincial government decided to award the 13 cities and prefectures which attained the standard for gaining awards and to commend the 64 counties, cities, and districts which not only fulfilled the birth rate control target but also did a relatively good job in family planning. Last year, the seven counties and cities which were subjected to control on a priority basis have all been removed from the scope of control. At the same time, the province decided to give honorable awards to 34 units, circulate a notice of commendation for five units, and give commendation and awards to seven major military units, including the Jinan Military Region, and four major enterprises, including the Jinan Railway Bureau.

Jiang Chunyun, secretary of the provincial party committee, presided over the meeting. Zhao Zhihao, deputy



secretary of the provincial party committee and governor of the province, made a speech on behalf of the provincial party committee and the provincial government. He demanded that all localities in the province should deepen understanding, further increase the sense of responsibility, pay close attention to family planning work, and understand more the importance, long duration, and arduousness of family planning work.

Zhao Zhihao pointed out: To ensure the sustained and sound development of family planning work, the present family planning policies must be remained unchanged, the set targets for population control must be remained unchanged, and the principle of top party and government leaders personally taking a hand in family planning work and assuming overall responsibility for the work must remained unchanged. We should continue to persist in the system of leaders assuming responsibility for fulfilling population targets, continue to implement the policy of negating all the work in case of failing to attain the family planning target, and implement the method of putting backward units under major control.

Zhao Zhihao stressed: Family planning work is a great cause which benefits the masses. A good job must be done well, and a civilized thing must be handled in a civilized manner. We should pay attention to improving work methods and further maintain close ties between the party and the masses and between cadres and the masses. All departments should coordinate with one another and manage family planning work comprehensively in order to develop the work in a regular, scientific, and systematic manner according to laws.

#### Meets CPPCC Members

SK1604045593 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 15 Apr 93

[Text] On the evening of 15 April, provincial party Secretary Jiang Chunyun and Governor Zhao Zhihao cordially met with Hong Kong CPPCC members attending the first session of the seventh provincial CPPCC committee at Qilu Hotel.

During the meeting, Jiang Chunyun warmly welcomed the Hong Kong CPPCC members who came to Shandong to attend the CPPCC and provincial people's congress sessions, and extended heartfelt thanks to them for doing much work to invigorate Shandong and to promote Shandong's economic and trade development and Hong Kong's smooth transition over the past few years. Jiang Chunyun expressed the hope that the Hong Kong CPPCC members would continue to make great contributions to Shandong's reform, opening up, and economic development.

Gao Changli, Ma Zhongcai, Li Chunting, Li Zichao, and Lu Maozeng, and other leading comrades were present at the meeting.

#### Zhejiang Sets Up Quzhou Development Zone

OW1604060293 Hangzhou ZHEJIANG RIBAO in  
Chinese 21 Mar 93 p 1

[By ZHEJIANG RIBAO reporter Cheng Weimin (4453 3634 3046): "Western Zhejiang Is Becoming a New Hot Spot for Investment—The Quzhou Economic Development Zone Brings in Six Major Corporate Groups"]

[Excerpts] The Quzhou Economic Development Zone, which was established with the provincial government's approval, held a news conference yesterday. Six major corporate groups (institutes) in the province signed agreements with the Quzhou Economic Development Zone administrative committee to jointly develop the zone. Guo Xuehuan [6753 1331 3562], secretary of the party committee and mayor of Quzhou, gave a briefing on the zone.

Wang Qichao, deputy secretary of the provincial party committee, told the meeting: In the near future, our province should devote major efforts to promoting opening up to the outside world. Aside from taking proper charge of opening up to the outside world along the coast—particularly areas adjacent to highways—we should, on one hand, reach out to the ocean and offshore islands and focus on Zhoushan Archipelago in opening up island counties wider to the outside world, and, on the other hand, move forward to mountainous areas in central and western Zhejiang to quicken development and opening up in areas along the Zhejiang-Jiangxi and Jinhua-Wenzhou railways, as well as in border counties and cities. [passage omitted]

The six major corporate groups signing agreements yesterday were the Quzhou Chemical Industrial Corporation, the United (Group) Corporation from the Ningbo Economic and Technological Development Zone, the Ningbo Zhengda Cereals and Oils Industrial Company Limited of the Zhengda Group, the Zhejiang Corporation of the China Huaneng Enterprise Group, Zhejiang University, and the Hangzhou Great Wall Technological and Industrial Corporation. [passage omitted]

#### Zhejiang Adjusts Development Speed to 10 Percent

OW1604021493 Beijing XINHUA in English 0018  
GMT 16 Apr 93

[Text] Hangzhou, April 16 (XINHUA)—East China's Zhejiang Province has decided to adjust its development speed to achieve an annual growth rate of 10 percent of its gross domestic product, higher than previously planned, an official said.

Wan Xueyuan, newly-elected governor of the coastal province, told XINHUA that his aim was to allow Zhejiang residents to live a relatively comfortable life and to form the frame of a socialist market economy in the province by 1995.

The governor said that he will encourage state-run enterprises to cooperate with foreign businessmen in establishing joint ventures. He also revealed that about one-third of the 4,000 state-owned enterprises in the province will adopt the shareholding management system. Last year, some 60 enterprises adopted that system on a trial basis.

Wan said that Zhejiang will develop more specialized markets and wholesale markets this year in the areas of finance, technology, labor, information services and real estate. A futures market will be founded in Hangzhou, the capital of the province, and in Ningbo city on a trial basis.

By the end of last year, the province established as many as 3,800 markets of various kinds. But they operate on a relatively low level and are centered in certain areas, according to the governor.

Meanwhile, a social guarantee system that provides care for the aged and unemployed will be expanded to include workers in all kinds of enterprises in the province, including state-owned, collectively-owned, private and foreign-funded enterprises.

The governor said Zhejiang will be further opened to the outside this year. Offshore areas, islands and mountainous areas in the central and western parts of the province, as well as coastal cities, will be opened to foreign investors. Wan said the government will place a higher priority on capital, technology and talent.

The fields in which foreigners are allowed to invest will be expanded to include capital construction, renovation of outdated enterprises, high and new technology industries and the tertiary industry.

The governor said the key fields to use foreign funds will be in development of resources in mountainous areas and marine resources, as well as in agriculture-related industries that can earn foreign exchange.

In addition, the province plans to invite some overseas businessmen to visit, travel and hold trade talks with the province in the next few months. It also plans to hold trade talks fairs in Hangzhou and Hong Kong to draw more overseas investments in the province after June of this year.

Zhejiang needs funds, technology and talented people, said the governor, adding preferential policies will be offered to those interested in investment and cooperation.

### Central-South Region

#### Guangdong Industrial Output Up 32 Percent

HK1604073493 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 10 Apr 93*

[Text] During the first quarter of this year, Guangdong enjoyed a gratifying situation in industrial production

and sales. Its pace of sales has obviously sped up, the product sales rate increased by a large margin over the same period last year, and economic returns rose obviously.

The industrial sales value throughout Guangdong during the first quarter reached 75.285 billion yuan, while the industrial output value totalled 79.506 billion yuan, up by 38.9 and 32 percent respectively over the same period last year. The production and sales rate of industrial products stood at 94.69, registering an increase of 4.97 percentage points over the same period last year. Production and sales of various economic sectors as well as of light and heavy industries remained fairly balanced without much fluctuation. Growth has been registered in the output of major products over the same period last year, among which the output of such products as steel and cement has grown by over 28 percent, while an over-40 percent increase has been attained in the output of mining machinery, metallurgical equipment, power-generating facilities, industrial boilers, and metal cutting machine tools.

The comprehensive industrial economic efficiency index for industrial enterprise with independent accounting in January and February stood at 96.28, up 12.31 percent over the same period last year.

#### Henan Government, Legal Work Meeting Ends

HK1404114193 *Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 7 Apr 93*

[Excerpts] A provincial government and legal work meeting which ended in Zhengzhou yesterday [7 April] stated that, in days to come, government and legal work in the whole province must focus on transforming operational mechanisms of enterprises, changing government functions, and guiding and promoting the establishment of the socialist market economic system to strengthen local legislation, administrative law enforcement and supervision, and [words indistinct] to serve our province's reform, opening up, and economic construction. [passage omitted]

At the meeting, Song Zhaosu, member of the provincial CPC Committee Standing Committee and vice governor, pointed out: In face of the challenge of market economy, and the new situation of economic development, the government's task in legal work has become more arduous. Strict demands have been set on the work. At present, legal work departments of the government must speed up the pace of legislative work, and enact and improve laws, rules, and regulations which conform to the demand for the establishment of the market economic system. They must also strengthen supervision over administrative law enforcement and fully implement the rules and regulations of the State Council on transforming operational mechanisms of enterprises and relevant procedures worked out by our province. They must firmly enforce the rules and regulations of the State Council on lightening peasant burdens and management of labor service to resolutely reduce peasant burdens. In

the meantime, they must truly do well the work for administrative and service departments to protect and supervise administrative organs, so that they can exercise their functions and powers according to law. They must safeguard legitimate rights and interests of citizens, legal persons, and other organizations.

Xie Tanxin, vice chairman of the provincial people's congress standing committee, was also present at the meeting.

### Prospecting Official on Henan Oil Exploitation

HK1504120693 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 8 Apr 93

["Special report" by station news center reporter (Han Wuxun) from an interview with Liu Jinxing, provincial National People's Congress NPC deputy and Central Plains Oil Prospecting Bureau chief: "Effect Two Linkages, Enter Two Markets"]

[Excerpts] The 14th CPC National Congress stated that building a socialist market economic system is conducive to liberating and developing productive forces. Central Plains Oil Field is a large state-run oil enterprise. This reporter recently interviewed Liu Jinxing, provincial National People's Congress deputy and Central Plains Oil Prospecting Bureau chief, on how the central plains oil field will seize opportunities and confront challenges.

Liu Jinxing stated: This year, China National Petroleum Corporation has begun implementing an input-output-efficiency contract system in the central plains oil field. In view of this situation, we will strive to seize opportunities, speed up reform, shift enterprise operation mechanisms, transform a traditional planned economic structure into a market economic structure, concentrate on effecting two linkages and entering two markets, and comprehensively raise overall enterprise economic efficiency.

Liu Jinxing noted: The two linkages are: 1. Linkage between management structure and operation mechanisms on the one hand and the socialist market economy on the other; 2. Linkage between domestic and international markets in the wake of China's reentry into GATT. This year, the central plains oil field has begun gearing all types of work to reform and focused on shifting enterprise operative mechanism. The Central Plains Oil Prospecting Bureau has also studied and mapped out a general plan aimed at deepening reform and formulated corresponding measures for implementing the plan. Besides, we have also established a new management structure under which all levels and departments are given clear-cut duties and responsibilities. We have further developed and refined the contracted responsibility system, gradually established an oil prospecting and exploitation-oriented operative mechanism, successfully built internal labor services, machinery repair, goods and material supply, technological services, and livelihood guarantee markets inside the

oil field with the result that we have placed all enterprises within a market economic operation orbit. We have appealed to all enterprises to make redoubled efforts to develop diversified operations in light of market demands, carry out pluralistic exploitation, actively enter oil prospecting and exploitation markets in other areas, participate in overseas oil prospecting and exploitation activities, including some risky ones.

Liu Jinxing maintained: As a matter of fact, by pushing enterprises onto the market, we mean that enterprises should take the initiative to enter the market, for they have no choice at all.

### Southwest Region

#### Sichuan Congress Chairman Relays NPC Spirit

HK1504093693 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 7 Apr 93

[Text] Yesterday morning, the provincial party committee, people's congress, and government jointly held in Chengdu a report meeting at which provincial people's congress Chairman Yang Xizong relayed the spirit of the First Session of the Eighth National People's Congress [NPC] to leading cadres of all provincial-level organs.

Yang Xizong's relay report was divided into the following five parts: 1) a brief account of the NPC session; 2) the new state leadership; 3) reform, opening up, and the new stage of economic development; 4) socialist democracy and legal system building; and 5) seizing opportunities to invigorate Sichuan.

Yang Xizong pointed out in his report that an outstanding feature of the NPC session was that it laid particular emphasis on seizing opportunities and accelerating development. Yang said: In the nineties, we are confronted with development opportunities unprecedented in modern Chinese history. We should firmly seize such opportunities and work hard to speed up economic construction. To seize opportunities, we must emancipate the mind, seek truth from facts, adopt forceful measures, deepen reform, and expand opening up. To this end, we must adhere to Comrade Deng Xiaoping's three-beneficial instruction as the criterion, explore a development road with local characteristics, and study new situations, tackle new problems, and be good at integrating central policies with local realities with a view to transforming a planned economy into a market economy.

The report meeting was presided over by provincial Vice Governor Ma Lin who called on leaders of all provincial-level organs and departments to conscientiously study and comprehend the spirit of the First Session of the Eighth NPC and study ways and means of seizing opportunities, giving full scope to Sichuan's superiorities, and speeding up Sichuan's economic development.

The report meeting was also attended by Song Dafan, provincial people's congress Standing Committee vice



chairman; Rao Yongyu; Meng Junqiu; Yangling Doje, provincial Chinese People's Political Consultative Conference committee vice chairman; and others.

### Yunnan Secretary on Provincial Elections

HK1504120793 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 8 Apr 93

[Text] The Yunnan CPC Provincial Committee convened a consultation meeting participated in by the province's well-known figures of democratic parties and personalities without party affiliation in the provincial party committee office yesterday afternoon, informing them of the condition of the personnel rearrangements in our province, fully soliciting their opinions, and consulting with them in a democratic fashion. Yin Jun, deputy provincial party secretary, presided over the meeting.

On behalf of the Yunnan CPC Provincial Committee, party Secretary Pu Chaozhu briefed them on the condition of personnel rearrangement of the three leading bodies at provincial level. He said: The current personnel changes are conducted at the crucial juncture of modernization, reform, and opening up in our country. We should take Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as our guide; comprehensively and correctly put into effect the principles of making the ranks of cadres more revolutionary, younger in age, better educated, and more professionally competent, and with both ability and political integrity; build up leading bodies which are characterized by being staunch politically, bold in reform, united and forging ahead, honest and practical, sensible in structure, capable, and highly efficient; and strive to win a great victory in the cause of building socialism with Chinese characteristics. He hoped that the democratic parties, local organizations, and celebrities without party affiliation will work together with the Yunnan CPC Provincial Committee wholeheartedly and energetically to conduct the reelection in a proper manner so that the economic construction and social development in Yunnan will be able to scale a new height.

Persons in charge of various democratic parties, relevant groups, and local organizations, as well as celebrities without party affiliation maintained in their speeches that the current personnel rearrangements were in keeping with the relevant guidelines of the CPC Central Committee as the leadership had proceeded from actual conditions in Yunnan, fully fostered democratic spirit, and extensively heeded opinions from various quarters. They expressed their desires to continue working with the Yunnan CPC Provincial Committee to conduct the reelection work properly with concerted efforts, and also put forth in their speeches various views and proposals concerning how to do the reelection work well.

Bao Yongkang, member of the provincial party committee standing committee, and persons responsible for

the provincial party committee organization and united front work departments attended the meeting.

### North Region

#### Beijing Mayor Inspects Rail Construction Site

OW1404071593 Beijing XINHUA in English 0631  
GMT 14 Apr 93

[Text] Beijing, April 14 (XINHUA)—Beijing, the Chinese capital, has started full-scale construction of a new railway station.

According to today's "BEIJING DAILY," construction of the main buildings of the station is well under way.

Top municipal officials, including Chen Xitong and Li Qiyang, inspected the construction site yesterday.

The construction will be completed in 1995, coinciding with the completion of the Beijing-Kowloon railway line.

Beijing is a transportation hub and it already has several railway stations. Among them, the major one was constructed in 1959, which now handles hundreds of thousands of passengers a day.

As more and more people are coming in and out of the capital city these years and more and more cargo is handled, the stations are far short of actual needs.

The new railway station is expected to help a lot in removing the bottleneck and in promoting local economic development.

#### Hebei's Xingtai City Elects New Leaders

SK1404131793 Shijiazhuang HEBEI RIBAO in  
Chinese 17 Mar 93 p 1

[Text] At the first session of the ninth Xingtai City People's Congress that ended on 10 March, Wang Kuizhi (3769 7608 0037) was elected chairman of the ninth city people's congress standing committee; and Cao Shuyuan (2580 2579 0337), Shi Xiubi (4258 0208 4310), Zhao Zibin (6392 1311 2430), Ma Yuzhi (7456 3768 5347) (female), Qi Xiuying (0047 4423 5391) (female), Ma Zhiqin (7456 1807 5367), and Wang Xingyun (3769 5281 6663) were elected vice chairmen of the city people's congress standing committee. Zou Benchen (6760 2609 6297) was elected mayor of the city; and Zhao Dengshun (6392 4098 7311), Dong Xiqi (5516 6932 4388), Sun Fang (1327 5364), and Zhou Shuqing (0719 3219 0615) were elected vice mayors of the city.

## Remarks of Hebei's Cheng Weigao Reported

### Discusses Economic Development

SK1504113993 Shijiazhuang HEBEI RIBAO in Chinese 18 Mar 93 p 1

[Interview with Cheng Weigao, secretary of the Hebei Provincial CPC Committee, governor of the province, and the province's deputy to the Eighth National People's Congress, by HEBEI RIBAO special correspondents Sun Baohua [1327 5508 5478] and Peng Tongju [1556 0681 5112] in Beijing on 17 March: "How Can Hebei Seize the Opportunity"]

[Text] Since the opening of the First Session of the Eighth National People's Congress, Deputy Cheng Weigao's work schedule has been very tight, and he has looked very busy. What has he been busy with? As learned by reporters, being a principal party and government leader of Hebei Province, he has been busy with making Hebei seize the opportunity to accelerate economic development. This is the major task that has always worried him.

At present, how can Hebei seize the opportunity and accelerate the pace of economic development? With this as the title, our reporters have asked Deputy Cheng Weigao to set forth his opinions on this question.

[HEBEI RIBAO] Whence comes the sense of the opportunity, and how can Hebei's cadres emancipate the mind and change ideas?

[Cheng] This point is extremely important to our Hebei. Whence comes the sense of the opportunity? In my opinion, the most fundamental matter is to enhance Hebei cadres' sense of crisis, their sense of risks, their sense of competition, and their sense of development. By the sense of crisis, we mean solving the small-scale production idea of being content with the cases of being a little rich and making a small progress, that has been existing among considerably more localities and cadres. These cadres think that the degree of development and progress at present is fairly good as compared to that in the past. They fail to catch sight of the situation of the whole country and have no daring to do large-scale business, make large-scale development, become very rich, and engage in economic construction even more rapidly. Without such a daring, we will remain backward. Thus far, we have already lagged behind the advanced localities for many years. Therefore, we must try our best to overcome the idea of being content with the cases of being a little rich and making a small progress. By the sense of risks, we mean that some of our cadres have always been neither fast nor slow and neither indifferent nor enthusiastic in doing things. They fear that being too enthusiastic will lead to instability and being too fast will lead to deviation. They themselves have not at all been enthusiastic in developing the economy, but they fear the overheated growth of the economy. As a result, they cannot act and think freely, dare not to take risks and try out a thing, and are afraid

of becoming too conspicuous and making deviation. But, they never fear of losing the opportunity. By the sense of competition, we mean that under the system of planned economy, a considerably large number of cadres have been accustomed to depending on the state, the plans, and higher levels, thus lacking the sense of looking for information and projects, promoting development, and creating new ways through market competition. In other words, these cadres are accustomed to depending on higher levels but not on competition. By the sense of development, we mean that all localities, if possible, should positively take advantage of their favorable conditions to accelerate development, and the localities, which have no conditions, should create conditions to accelerate development. Conditions can be changed and created, and they are not static and absolute. Furthermore, we should never consider the originally good conditions as burdens. Only by enhancing the sense of development can we emancipate the mind, change ideas, and take advantage of conditions to accelerate development.

[HEBEI RIBAO] How can we make Hebei's economy develop rapidly and successfully. In this process, what relations and issues should we stress?

[Cheng] In my opinion, we should appropriately handle the relations in five aspects. First, we should appropriately handle the relations of the secondary and tertiary industries with the primary industry. We should go all out to develop the secondary and tertiary industries, but must on no account neglect the primary industry—agriculture. Second, we should appropriately handle the relations between the processing industry and the construction of basic industries and basic facilities. We should develop the processing industry and should all the more pay attention to building basic industries and basic facilities. Third, we should appropriately handle the relations between different localities. On the one hand, we should support some localities, where possible, to develop the economy to become rich ahead of others. On the other hand, we should support poverty-stricken localities to develop the economy to change their poor outlook. Fourth, we should appropriately handle the relations between growth speed and efficiency. We should not only accelerate the speed but also pay high attention to readjusting structure and improving efficiency. Fifth, we should appropriately handle the relations between reform and development. To promote development, we need investment; and without sufficient investment, it will be difficult to promote development. We should pay high attention to depending on the reform of existing items and enterprises to improve the level of management, the quality of enterprises, and economic efficiency.

[HEBEI RIBAO] Where lies the key to seizing the opportunity to develop Hebei's economy rapidly and successfully?

[Cheng] The key lies in successful choice and use of cadres. Failing to choose and use cadres, we will be

unable to make everything a success. We should choose and promote to leading posts a group of cadres who are politically strong, understand the economy, are good at management, and are enthusiastic in economic construction. If we successfully choose and use a group of such cadres, we will find out the latent projects, funds, technologies, and talented persons. By relying on these cadres, we will be able to tackle all sorts of problems in development through competition. Now, the vast numbers of cadres in Hebei are long for stability and progress. A cadre would be unable to hold his ground if he refuses to pay attention to the economy and development.

### Views Reform, Economic Growth

SK1604111993 Shijiazhuang HEBEI RIBAO in Chinese 19 Mar 93 p 1

[Report on interview with Hebei Governor Cheng Weigao with Taiwan LIEN HO PAO reporter Lai Jinhong and AFP reporter Bai Wei in Beijing on 18 March, by special correspondents Peng Tongju (1756 0681 5112) and Sun Baohua (1327 5508 5478): "Cheng Weigao Meets With Reporters of Taiwan LIEN HO PAO and AFP in Beijing, Speaks on Hebei's Economic Growth, Organizational Reform, and Other Issues"]

[Text] Governor Cheng Weigao cordially met with Taiwan LIEN HO PAO reporter Lai Jinhong and AFP reporter Bai Wei at the provincial office in Beijing on the afternoon of 18 March. Mr. Lai Jinhong is an old friend of Hebei who has visited the province twice. Cheng Weigao welcomed them and answered their questions in a frank and sincere manner.

[Reporters] The growth rate is an issue on which people's attention is focused. As Hebei is an economically large province, what growth rate do you wish to maintain?

[Cheng] Our economic growth rate was not high, but we have made some progress over the past few years. The growth rate was 13 percent last year. We wish that we can maintain a 12-percent growth rate in the future. In this way, we will have the prospects for outpacing the 1980 figures by the end of this century.

[Reporters] As far as we know, an overheated economy has emerged in some localities. What is the situation in Hebei?

[Cheng] Whether the economy is overheated, in my opinion, is decided by what we produce and whether we can find a market. If our products are demanded by the world and the domestic markets and are salable, the economy will never be overheated. If we are not clear-headed and develop what we are incapable of, our products will be stockpiled, and the funds we have invested will not be recovered. This means overheating. If our products are salable and can achieve a share in the market, there will be no such problem as overheat.

In Hebei, the ratio between light and heavy industries is 4:6. The state has approved the development of 159 projects in our province during the Eighth and Ninth Five-Year Plan periods. More than 60 percent of these projects are energy, transportation, telecommunications, raw materials, and other basic industry projects. How can they be overheated? When developed more rapidly, these projects will help alleviate the strained situation of the country, and we will be able to develop and strengthen ourselves in the process of serving the country.

[Reporters] Organizational reform is an important issue. What is Hebei's plan for it?

[Cheng] Hebei was designated as a pilot province for the organizational reform, but the program for the experiment was not implemented because the central authorities had yet to decide on the program for the organizational reform. Now that the central program has been decided, our provincial program can also be implemented.

The key to the organizational reform lies in the transformation of the functions of government departments. When their functions are not transformed, the organizations will be unable to meet the need of the socialist market economy no matter how they are adjusted. Based on the need of the socialist market economy, there should be a clear demarcation line between what the government should take charge of and what it should not and between what the central authorities should take charge of and what the local authorities should take charge of. The legal system should be implemented. Otherwise, either the central authorities will withdraw power from local authorities or the local authorities will overstep their power and take charge of what the central authorities are charged with. In this way, neither order nor prohibitions will be implemented.

[Reporters] Organizational reform means reduction of personnel. Will there be people who do not want to leave their posts?

[Cheng] Possibly yes. Our method is to dig the ditches before letting out the water to separate the personnel from their organizations gradually. Last year, 18,000 people were diverted from their organizations to establish economic entities staffed with more than 50,000 people. This year, we will mobilize more people to separate themselves from their organizations to develop economic or service entities. In this way, the organizations will be streamlined, and more people will be able to develop their wisdom and intelligence in expanding the market economy. In short, when conducting the organizational reform, the personnel made redundant should be properly placed through various channels.

[Reporters] How to bring into better balance the relations between the central and the local authorities represents a very great task. What is Hebei's idea on this?



[Cheng] The socialist market economy is not meant to abandon plans. Plans are still necessary, especially for some important matters. Planning, finance, banking, and taxation should be regulated and controlled at the central and provincial levels and their powers to these matters should be clarified. The socialist market economy is in transition, and both the central authorities and the province are conducting exploration on it. The central authorities are afraid that too relaxed a policy would lead to problems in the total supply and the total demand. Such a fear is justifiable. From the provincial point of view, we hope that the central authorities would relax policies more so that we can achieve faster development. Such an idea is also natural. This is the contradiction. It takes time and is not so easy to resolve this problem. The central authorities have given full attention to it and are addressing it gradually. As far as a local government is concerned, it should take the overall situation into consideration, make more reports on the situation to the central authorities, and win more support and proper powers from the central authorities.

[Reporters] As some people in the West analyzed, if too many powers are delegated to lower levels, will a separatist situation emerge in China?

[Cheng] Impossible! Such a problem does not exist in China. Foreign affairs are administered by the state, the army is administered by the state, and the major economic activities that have a bearing on the national economy and people's livelihood are also administered by the state. It is simply impossible to engage in separatist activities.

[Reporters] When we visited Hebei, we felt that Hebei had to ensure supplies of water, electricity, and coal to Beijing and Tianjin so that they could develop more rapidly. However, Hebei itself has developed slowly. What is your opinion on this?

[Cheng] Beijing represents China. Developing Beijing well is the honor and responsibility of Chinese people, and it is natural for Hebei to serve Beijing. Therefore, we urge all cadres and the masses to wholeheartedly subordinate themselves to, serve, protect, and defend Beijing. How can Hebei people take it easy to enjoy power supply to watch television while Beijing has power cut? Is it justifiable that Hebei people have water to drink when Beijing people do not? If Hebei's development is a little sluggish, this is not because it has made many and great contributions to Beijing and Tianjin. How can people fail to see the many opportunities that Beijing and Tianjin can offer Hebei? Why do not they make use of the many large organizations, colleges and universities, scientific research units, large enterprises, and foreign offices stationed in Beijing? Some people always thought that Hebei suffered losses and that it was justifiable for Hebei to be sluggish in development. They were wrong. We should note that Beijing and Tianjin represent a great advantage and condition for Hebei's development. Hebei is different now and people's ideas have changed. Considering Beijing and Tianjin a treasure house for

Hebei's development, many people have gone to Beijing and Tianjin to look for information, projects, cooperation, funds, and trained personnel. Many cadres have also come to understand that they should rely on Beijing and Tianjin to develop their own localities and Hebei. We can see that different way of thinking leads to different results.

[Reporters] In Premier Li Peng's "Government Work Report," what do you think is the most inspiring remark to Hebei people?

[Cheng] It is still what Comrade Xiaoping said—seizing the opportunity to accelerate development. In what Premier Li Peng said, either on the past or on the future, I think it is still the most important point. We should clearly understand the situation now, have the ability to seize this opportunity, and be mobilized to accelerate development.

[Reporters] We are much satisfied. A lot of things can be written.

[Cheng] Thank you!

#### Addresses Industrial Teleconference

SK1504113693 Shijiazhuang HEBEI RIBAO in Chinese 21 Mar 93 p 1, 2

[Excerpts] On the evening of 19 March, the provincial party committee and government held a provincial telephone conference on industrial production in Langfang to brief on our province's industrial production situations in January and February, analyze the current industrial production situation, and mobilize the cadres and workers on the provincial industrial front to further emancipate thinking, enhance spirit, expand the degree of reform, and accelerate the pace of industrial production development. The conference stressed: We should enhance our sense of opportunity, seize the favorable opportunity, concentrate energy on pushing industrial production forward and guarantee that the province's industry will be sustainedly developed at a high speed this year.

During January and February this year, our province maintained a definite industrial growth rate, but it still lagged far behind the national average industrial growth level; its economic efficiency increased fairly greatly, but this was caused by the low base figure set during the early period of last year and the rise in the prices of products; the industrial development in prefectures and cities was not even, and the difference between places of the highest and lowest economic efficiency was big; the production and marketing of industrial goods were basically coordinated, but the amount of funds misappropriated for other purposes was too high. Objectively, the aforementioned existing problems were caused by the shortage of enterprise circulation funds, a reduction in the cotton output, and a strained situation in railway transport. But the most important reason was that leaders of some prefectures and cities and departments

failed to concentrate their energy on industrial production, slackened their efforts in this regard, and failed to firmly and effectively grasp the current industrial and agricultural production.

The telephone conference was presided over by Vice Governor Song Shuhua. Cheng Weigao, secretary of the provincial party committee and provincial governor, and Ye Liansong, executive vice governor, gave speeches. [passage omitted]

Cheng Weigao emphatically pointed out: All prefectures and cities should conscientiously analyze the current industrial and agricultural production situation, study specific measures, and strive to rapidly push the production forward. One of the most important hot spots and subjects of the second plenary session of the 14th party Central Committee and the First Session of the Eighth National People's Congress is Comrade Deng Xiaoping's proposal of never losing the opportunity. The opportunity for great development will not come so often. As for how to treasure, grasp and seize the opportunity and seek a better and quicker development, we should first grasp well the current industrial and agricultural production. Recently, we had worries and misgivings because the industrial production was not good, and we also worried about agricultural production. During the first two months of this year, the total industrial output value lagged far behind the national average by 9.6 percentage point. At present, the progress of "combating drought and ensuring wheat growth and spring sowing" is not big and rapid in the agricultural sector. In short, our industrial production have lagged far behind the national average and many agricultural measures have not been implemented at the grass-roots level. The most important reason for this is that we have failed to concentrate our energy on industry and agriculture, and have slackened our efforts in these fields. This phenomenon was mainly caused by subjective problems. Some localities have many problems, but no people bother to solve them. At present, industrial and agricultural production has reached a critical moment. All prefectures and cities should conscientiously analyze the situation and study specific measures. As long as we concentrate energy on these aspects and pay attention to them, we will have methods and measures.

#### **Inner Mongolia's Baotou Rare Earth Zone Opens**

*SK1504114193 Hohhot NEIMENGGU RIBAO in Chinese 10 Mar 93 p 1*

[Summary] The Baotou Rare Earth New High-Tech Industrial Development Zone opened 20 February. This is the first state-level development zone in the region. Zhang Chunshan, vice chairman of the department of industrial science and technology under the State Science and Technology Commission; Yun Bulong, vice chairman of the regional government; and leaders of Baotou city attended the opening ceremony.

The Baotou New High-Tech Industrial Development Zone of Inner Mongolia was listed as a development

project through discussions in 1990 and was approved as a provincial-level development zone by the State Science and Technology Commission in 1991. This development zone comprehensively started construction on 8 May in 1992. A number of facilities were completed in the next few months. In November 1992, the State Council approved to establish a state-level new high-tech industrial development zone in Baotou city. This time, Vice Chairman Zhang Chunshan guided a party to Baotou with a view to making the final examinations and decided to formally open the zone.

This development zone occupies an area of 9.56 square km and spans Kunducang and Qingshan. Of this, 4.6 square km are newly added, including an area of rare earth functional materials and appliances, an area of new-type materials and products, an area of microelectronics information engineering technology and machinery-electronics integrated technology, and an area of new energy resources and high-efficient and energy-saving products. Last year, Baotou city invested 7.8 million yuan in developing the infrastructural facilities of these new areas. Some road and water supply projects have been completed while power and heat supply projects and communications projects will be completed in succession.

On the day that the Baotou Rare Earth New High-Tech Industrial Development Zone Opened, Vice Chairman Zhang Chunshan examined and approved 27 projects in the development zone, including 14 rare earth new high-tech enterprises. So far, this zone has an employment of 1,414 and nearly 30 percent of them have an education at or above the university level.

This year, Baotou city will invest 26.97 million yuan in the second-phase project of the infrastructural facilities of the new areas, 40 million yuan in building 10 standard workshops, 20 million yuan in building a general service building covering an area of 20,000 square meters, and 16.13 million yuan in building villa houses for experts.

#### **Inner Mongolia Death Sentence for Drug Dealer**

*SK1604051193 Hohhot NEIMENGGU RIBAO in Chinese 12 Mar 93 p 1*

[Text] A few days ago, Yang Cuihua, an 81-year-old major narcotics trafficker, was sentenced to death, with her political rights being deprived for life, and with her 50,000 yuan of property being confiscated, in the first instance by the Chifeng City Intermediate People's Court. This has been the case involving the greatest amount of narcotics ever accepted and tried by the court.

Criminal Yang Cuihua was a farmer of Nailin Village in Nailin Town of Harqin Banner. She had been sentenced to imprisonment and put under surveillance by the Horqin People's Court in 1958, 1966, and 1990 on the charge of narcotics trafficking. However, during the period of being released on bail for medical treatment, she took up her old profession again and developed a

narcotics trafficking "specialized household" known far and wide. On 22 July 1991, she was taken into custody.

Disregarding state law, Yang Cuihua lived on narcotics trafficking and refused to mend her old ways despite repeated admonition. From 1980 to May 1991, she sold opium bought from other people to more than 100 farmers and retired workers in Horqin Banner, Ningcheng County, Yuanbaoshan District, and Liaoning Province's Jianping County, and obtained 42,614 yuan in illicit money. After the case was ferreted out, public security organs captured 316.1 grams of opium and confiscated 3,849.2 yuan in cash from her.

### Inner Mongolia NPC Deputies Discuss Issues

#### Secretary on Li Peng Report

SK1504135293 Hohhot NEIMENGGU RIBAO in  
Chinese 18 Mar 93 p 1

[By reporters Yang Yankui (2799 1750 1608) and Ning Ding (1337 0002) of Inner Mongolia People's Radio Station: "Seize the Opportunity To Accelerate a Great Economic Development in Our Region"]

[Text] During a discussion of State Council Premier Li Peng's Government Work Report on the afternoon of 16 March, Wang Qun, our regional deputy to the First Session of the Eighth National People's Congress, said: We must seize the opportunity and carry out large-scale reform and opening up to realize a great development in line with the socialist market economic system and the demand of the economic law.

Deputy Wang Qun made a speech in which he said: Premier Li Peng's report reflected the strong desire of accelerating economic development of the people of various nationalities across the province and manifested the guidelines of Comrade Deng Xiaoping's important speech and of the 14th CPC Congress, and the ideology of emancipating minds; seeking truth from facts; accelerating reform, opening up, and economic development; and never slowing down if possible. The "report" has created conditions for realizing the grand objective of quadrupling our country's GNP by the end of this century and reflected our party's long-cherished hope of making the country prosperous and the people rich.

Wang Qun said: How can we attain the goal of emancipating minds, seeking truth from facts and never slowing down speed in line with the government work report and our region's reality? This requires our efforts to seize the opportunity to open up, to seek great development and to realize an extraordinary and leaping economic development in our region. During the Seventh Five-Year Plan period, like other parts of the country, our region realized the best and quickest development in history. Owing to various reasons, we have still lagged far behind other developed provinces and regions. However, we are facing the excellent opportunities at home and abroad. We must accelerate our region's development, and we have conditions to do so. We must have a sense of

urgency, seize the opportunity to catch up with other places, and must not lose the opportunity and be tossed in the rear by history of development.

Wang Qun said: To achieve a great degree of opening up and to promote great development, we must manage things in line with the demand of building the socialist market economic system and the economic law. Our Inner Mongolia has a vast territory and abundant resources with treasures everywhere. This is the distinctive advantages of our strategy of realizing opening up and development. To proceed from this advantage, to realize large degree of opening up and to promote great development, we must grasp the priorities, develop and build six major basic industries well. First, we must accelerate the implementation of the strategy of integrating foreign trade with industry and agriculture (animal husbandry), cropping with aquaculture and processing industry, push the primary industry forward. Only thus, can we be able to lay a strong foundation for making 14 million peasants and herdsmen in our region well-off and accelerating the development of the secondary and tertiary industries and township enterprises. Second, we should actively carry out the power transmission strategy of converting coal into electricity. Our Inner Mongolia is a sea of coal with rich water resources. We may change coal delivery into power transmission so as to avoid the contradictions of a strained situation in railway transport. By the end of this century, our designed power capacity may reach 20 million kw. We may attain the goal of guaranteeing power supply to Liaoning, Jilin and Heilongjiang in the east and Beijing, Tianjin, and Hebei in the central region. Power development may also bring along the development of coal industry. The coal output may reach more than 100 million tons. Third, we should establish such major chemical industrial bases as petroleum, coal, pyrite, saline-alkali and biological industrial bases, and convert the hidden advantage of resources into economic advantage. Fourth, we should pay attention to building iron and steel, and nonferrous metal industrial bases. By 1995, through filling up the gaps and conducting technological transformation, Baotou Iron and Steel Company may realize the goal of producing 4 million tons of iron and steel and 4 million tons of nonferrous metal and make the output of both reach 6 million tons by the end of this century. In addition, its input will be small but its efficiency will be high. If the output reaches 6 million tons, the output value may jump to 20 billion yuan. Fifth, we should develop building materials of a new type with rare-earth and kaolinite as the raw materials. Sixth, we should build modernized communications and telecommunications facilities. By building, expanding, and renovating six railways, including the Baotou-Lanzhou, Beijing-Hohhot, Jining-Tongliao, Liangyi, and Chifeng-Jinzhou (from Chifeng to Xiahai in Jinzhou) railways; and adding highways, airports, and related telecommunications facilities, we may walk out of Inner Mongolia and may even march towards the whole country and the world.



Wang Qun said: These six major industries are the basic industries which the state must speed up their development as well as the basic industries which enable our region to achieve great development. Therefore, these major industries will have market efficiency and competitive ability. Certainly, in building these six major industries, we will also have difficulties in some aspects, including funds, personnel, and technology. How to solve these difficulties? It is not realistic to use old methods. The only way out is to expand reform and opening up. In this aspect, we must be enlightened in thinking and policies, and give simultaneous attention to expanding opening up, bringing in funds and seek development. For example, currently, the markets of capitalist countries are in a depressing state. This is a favorable condition for us to actively bring in funds. We should seize this opportunity and boldly carry out what we think is right. The opening up which we have mentioned about means opening up to all directions, which include actively expanding the degree of opening up to foreign countries, bringing in funds, promoting development, breaking down the closed state and barriers between different regions and trades in the country and our region, acting in line with the demands of the market economic law, namely, the laws of competition and value, building markets, implementing the shareholding system, establishing enterprise groups, entering the international market, and establishing ties with international markets. In various localities and enterprises across the country, we may establish enterprises through their own exclusively investment, joint-investment enterprises, three types of foreign-funded enterprises, and joint-stock enterprises in line with the spirit of mutual benefit and cooperation, or make them share electricity, profits and tax payment. In short, projects that are in conformity with the principle of "doing things helpful to developing the socialist productive forces, strengthening the comprehensive strength of a socialist country and raising the people's living standards," may enjoy our preferential terms and policies. With this thinking, we will be able to solve the issues of funds, technology, and personnel and turn our thinking of seeking an extraordinary and leaping development into reality.

Wang Qun told the reporters: There is one bit of good news. The aforementioned six major basic industries which are in conformity with the guaranteed development priorities of the state have been approved by the state, and will be included in the state overall plan.

#### Official Discusses Rural Reform

SK1504221893 Hohhot NEIMENGGU RIBAO in  
Chinese 19 Mar 93 p 1

[By Ning Ding (1337 0002), reporter of the Inner Mongolia People's Broadcasting Station, and Yang Yankui (2799 1750 7608), reporter of NEIMENGGU RIBAO: "Deepen the Rural Economic Reform, Strengthen the Fundamental Position of Agriculture"]

[Text] Deputies from Inner Mongolia to the First Session of the Eighth National People's Congress continued to discuss Premier Li Peng's Government Work Report on the afternoon of 17 March. Deputy Bu He said in his speech: Premier Li Peng's Government Work Report further emphasized the need to strengthen the fundamental position of agriculture. This issue is very important. We should pay close attention to agriculture and animal husbandry, which constitute the foundation, to promote a stable development of the economy.

Bu He pointed out: Over the past five years, the Inner Mongolia Autonomous Region has always put agricultural and animal husbandry development, especially the development of grain production, in the first place in all our work and has adopted a series of major measures for strengthening the fundamental position of agriculture and animal husbandry. First, we further stabilized and improved the household-based output-related contract responsibility system in rural and pastoral areas, actively developed the socialized service system in these areas, and protected and boosted the production enthusiasm of the vast number of peasants and herdsmen, thus providing a guarantee for a steady development in the agricultural and animal husbandry sectors of the economy. Second, we increased investment in agriculture and animal husbandry. In the past five years, the region allocated about 400 million yuan a year to directly invest in the capital construction of farmland and grassland. Guaranteed irrigated areas increased by 7 million mu in the five years, equivalent to 42 percent of the total of the previous 40 years; and the average annual increase was 1.4 million yuan, ranking the region first in the country. Third, we stepped up efforts particularly in comprehensive agricultural development and construction of marketable grain bases. The 11 banners and counties in the eastern part of the region and the areas in the southern bank of Huang He were listed in the state agricultural development plan, the first-phase construction of the project was completed on schedule, and the second-phase construction is being developed. Fourth, the agricultural "bumper harvest plan" was drawn up and implemented extensively in various localities of the region, applicable technology was greatly disseminated to increase agricultural and animal husbandry production, and thousands upon thousands of peasants learned the skills to farm in a scientific manner, thus notably improving economic efficiency. Fifth, based on the principle of "taking preventive measures in line with specific conditions," we intensified construction of antidisaster bases. Antidisaster bases were built in the 38 key farming and animal husbandry banners and counties. In the past five years, we built 200,000 hectares of grassland and forage shrubs; enclosed 882,000 hectares of pastures equipped with water supply facilities and machines, planted with grass and trees, and provided with feed; and built sheds for more than 90 percent of the animals. In this way, we effectively reduced the losses brought by disasters to agriculture and animal husbandry. Through the aforementioned work, we changed the long-standing

stagnant development in agriculture and animal husbandry and reached a new level in the comprehensive production capacity. In 1992, the region's output value of agriculture and animal husbandry was 18.7 billion yuan, showing an average annual increase of 8.2 percent. Bumper harvests of grain were achieved for five years in a row. In 1992, our grain production exceeded 10 billion kg for the first time to reach 10.45 billion kg, and our per-capita share of grain ranked among the best in the country. The region's total number of animals was stabilized at more than 50 million for three years in a row to reach 55.58 million in 1992, showing an average annual increase of 4.1 percent.

Bu He said: Although the fundamental position of agriculture and animal husbandry has been notably strengthened in Inner Mongolia, the tasks to deepen the reform in rural and pastoral areas remain very arduous. Our comprehensive services still fall behind; peasants and herdsmen in some localities still have too heavy burdens; and, in particular, township enterprises still occupy a small proportion in agriculture and animal husbandry, and their development still lags rather far behind the southern areas and coastal areas of the country. We should make conscientious efforts to solve these problems.

Bu He said: To further strengthen and steadily develop agriculture and animal husbandry, we will actively develop high-yield, good-quality, and high-efficient agriculture and animal husbandry in line with the need of the socialist market economy so that agricultural and animal husbandry production and the processing of farm and animal products will be brought up to a new level. We should further improve the conditions for agricultural and animal husbandry production, increase investment from various sources, and continuously enhance the capacity for resisting disasters and for comprehensive production. We should dispose agricultural and animal husbandry resources with the guidance of the market and turn the pursuit of a large quantity of farm and animal products into that of high-yield, good-quality, and high-efficiency agriculture and animal husbandry. We should develop farming, breeding and processing simultaneously; develop agriculture, industry, and commerce simultaneously; use domestic and foreign funds simultaneously; coordinate the development of science and education with agricultural development; and build the agricultural and animal husbandry bases that produce commodities and create high efficiency so that significant progress can be achieved in adjusting the varieties, improving the quality, and raising the efficiency of farm and animal products. We should embrace the idea of combating disasters to reap bumper harvests and intensify the construction of antidisaster bases particularly in pastoral areas and dry land farming areas. Through the aforementioned measures, we should stabilize grain output at about 10 billion kg and the number of animals at 60 million by the late Eighth Five-Year Plan period. In the next eight years, the region's township enterprises should develop at a rate of about 40 percent

a year so that their major economic norms can reach the average level of the central areas of China by the late Eighth Five-Year Plan period.

In conclusion, Bu He said: In short, as long as the region makes conscientious efforts and achieve success in agriculture and animal husbandry, the foundation, it can attain the general targets of economic and social development, namely the two-step objective, for the next five years and for the period till the end of this century.

**Inner Mongolia Holds Meeting on Veteran Cadres**  
*SK1504113793 Hohhot NEIMENGGU RIBAO in Chinese 20 Mar 93 p 1*

[Text] Recently, the regional party committee held a standing committee meeting to specially study the work on veteran cadres.

The meeting was presided over by Wang Qun, secretary of the provincial party committee. Bu He, Wu Liji, Liu Yunshan, Bai Enpei, and Wuyunqimuge attended the meeting.

The participants believed that under the leadership of the party committees and governments at all levels and with the concerted efforts of various relevant departments, the region has achieved great success in the work on veteran cadres. The sound development of this work has effectively promoted the cooperation between old and new cadres and the succession of the new to the old, and promoted social stability and economic construction in the autonomous region. The broad masses of workers engaging in veteran cadres' work have worked diligently and served veteran cadres with one heart and one mind. The broad masses of veteran cadres and the regional party committee were satisfied with this.

The meeting pointed out: Veteran cadres are the precious wealth of the party. Realistically caring for retired cadres in terms of their political life and living in line with the guidelines of the 14th CPC Congress and enabling them to have something to do and to spend their remaining years peacefully are essential to conscientiously implementing the party's system on retired cadres, continuously promoting cooperation between old and new cadres and succession of the new to the old, and guaranteeing a long period of stability and order in our country. This is not only a task of the departments in charge of veteran cadres' work but also one of the important tasks of the whole party and society. It is a task affecting the overall situation. Under the new situation, the work on veteran cadres must be strengthened and not weakened.

The meeting participants believed that to further strengthen the work on veteran cadres, we must mobilize the strength of all social sectors and boost the enthusiasm of all fields. It is necessary to implement the method of graded management and assign different levels to assume responsibility for veteran cadres of their own level. In organizational reform, we must stabilize the

regional and the league and city organs in charge of the work on veteran cadres and keep the competent leading bodies and ranks of functionaries.

The meeting pointed out: After retirement, veteran cadres should be supported, and should have amusement. Under this premise, we may also give play to the strong points of veteran cadres and encourage them to work within their ability and to continuously contribute to society. We should organize veteran cadres to conduct education on patriotism, socialism, and collectivism among the broad masses of people, particularly young people, to support the "hope project," to assist in school work, and to give play to their role in building the socialist spiritual civilization and in other aspects. Regarding veteran cadres with technological and management expertise, we should support them to continuously give play to their expertise within their ability. We should allow retired veteran cadres to engage in business or to run enterprises and treat them the way we treat in-service personnel in terms of policies.

The meeting call on all localities and various departments to continuously and conscientiously implement the principle defined by the central authorities that "their basic political treatment will remain unchanged and their material benefits will be better," to continuously and conscientiously implement the relevant policies and regulations of the central authorities and the autonomous region, and to do a good job in giving all sorts of treatment to veteran cadres. This also includes respecting veteran cadres politically and caring for their life, making proper arrangements for the related affairs in their political life and living, and doing a better job in serving and managing veteran comrades. Regarding some practical problems emerged in the life of veteran comrades, we should exert our utmost efforts to solve them provided they are permitted by policies and are within our ability. As for some practical problems which should be solved but do not have explicit policy stipulations for solving them, the regional leading group in charge of the work on veteran cadres and the relevant departments should conscientiously study these problems, offer views and make overall consideration.

#### **Inner Mongolia Accelerates Power Construction**

*SK1404131393 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 13 Apr 93*

[Summary] In the first two years of the Eighth Five-Year Plan period, the region noticeably accelerated the construction of power supply projects. In the past two years, the region invested more than 221 million yuan in power construction projects. As of the end of 1992, 16 banners and counties of the region ensured the supply of power for their towns, townships, and sumu; 14 banners and counties ensured the supply of power for their villages and gacha; and 38 banners, counties, and cities failed to supply power to 90 percent of their peasant and herdsman households.

#### **Tianjin Lifts Controls Over Grain Prices**

*OW1604023293 Beijing XINHUA Domestic Service in Chinese 0734 GMT 2 Apr 93*

[Text] Tianjin, 2 Apr (XINHUA)—With State Council approval, the Tianjin municipal government decided to decontrol grain prices, effective 1 April, in order to cancel the practice of buying rationed grain by showing grain-rationing books and to totally decontrol prices for rationed grain for urban and suburban residents, peasants who grow vegetables, fishermen, and people displaced from reservoir areas, as well as grain resold by the state to grain-producing peasants who are short of grain. Meanwhile, the prices for state-ordered grain have also been decontrolled.

The decontrol of grain prices means that from now on, instead of going to a certain specified grain store, residents can buy grain at any grain store according to their own needs and wishes. Since the price decontrols took effect, grain prices have been temporarily set according to the reference prices published by the municipal government. In the future, grain prices will fluctuate according to market conditions.

To ensure market stability after the decontrol of grain prices, the Tianjin municipal government has entrusted state grain departments to store grain reserves that will be sufficient to feed Tianjin's urban residents for a whole year. Meanwhile, urban and suburban residents and grain administration departments will respectively keep their grain-ration books and residents' grain ration files so that they can be used when needed.

#### **Tianjin Assimilates Foreign Capital Enterprises**

*SK1404131593 Tianjin People's Radio in Mandarin 1000 GMT 13 Apr 93*

[Summary] Since the beginning of 1993, the municipality has made rapid progress in assimilating foreign investment. In the first quarter of this year, the municipality approved to establish 915 enterprises involving foreign capital, an increase of 5.7 times over the same period of 1992. As of the end of March, 3,514 enterprises involving foreign investment were approved in the municipality.

#### **Northeast Region**

#### **Remarks of Heilongjiang Secretary Noted**

##### **Discusses Market Economy**

*SK1604111693 Harbin HEILONGJIANG RIBAO in Chinese 17 Mar 93 pp 1-2*

[Report on interview with Heilongjiang Secretary Sun Weiben by reporter Zhao Dianjun (6392 3013 0689) held 13 and 16 March in Beijing: "Reporters Interview Sun Weiben, a Deputy to the National People's Congress



medium enterprises to conduct the "grafting" transformation characterized by Sino-foreign joint investment, and have a large proportion of small enterprises to carry out the shareholding cooperative system characterized by public ownership and civilian management, the leasing system characterized by state ownership and private management, or the method of auctioning the ownership and management rights. We should also vigorously develop town and township enterprises, individual and private enterprises, and three types of foreign-funded enterprises in an effort to ensure that the proportion of town and township enterprises will reach 20 percent in 1995 and 40 percent in 2000.

We should eliminate the pattern of "raw material" products and take the road of developing intensive and precision processing industries. Our province's "raw material" products, such as crude oil, coal, and timber, occupy a considerably important position in the whole nation. But, the province's raw material processing and using degree only accounts for 23 percent of the national average level and its farm and sideline products processing degree only amounts to 46 percent of the national average level. The fundamental way for enlivening this "unleavened dough" is to handle affairs according to the law of prices, gradually carry out the unified price system, and define prices according to the market situation. Besides, we should comprehensively use natural resources and conduct intensive and precision processing of natural resources according to market demands. First, we should do a good job in developing the petrochemical industry and strive to build the country's largest petrochemical industrial base, petrochemical industrial products market, and petrochemical industrial enterprise association. Second, we should do a good job in developing power and coal industries in an effort to build Heilongjiang into an industrial base to supply fuel and power for northeast China. Third, we should do a good job in developing the forest products industry and the paper-making industry in an effort to build Heilongjiang into the country's largest furniture and paper products base. Fourth, we should do a good job in developing the food industry in an effort to build Heilongjiang into the country's largest dairy, sugar, meat, and bean products and instant food production bases.

We should break with the situation where there are barriers between different departments and between different regions and ensure a reasonable distribution and an optimum organization of production factors. The phenomena that the government functions are not separated from the enterprise management and there are barriers between different departments and between different regions still seriously exist in some localities of the province. This kind of system cut the contacts between various sectors of the economy, prevented production factors from reasonable distribution, and affected the three-dimensional development and overall

utilization of natural resources. So, it is not conducive to the coordinate development of the economy, society, and ecology. Under this system, large and medium enterprises suffered excessive administrative interferences, undertook heavy burdens, and lacked market competitiveness. To this end, according to the principle of the market economy, we must correctly handle the relationship of localities, departments, and enterprises. Both the localities and departments must separate themselves from enterprises. The local government assumes responsibility for making a unified plan for the local economic and social development. So, the government should provide coordinate service and exercise management according to laws. Simultaneously, the departments should assume the responsibility for the management of trades. Enterprises should exercise independent management; also base themselves on developing lateral cooperation; and pioneer ways for developing enterprise associations, carrying out shareholding system, and developing international cooperation.

We should introduce the competition mechanism of selecting the good and eliminating the bad and speed up the technological progress and the transformation of the old industrial base. Our province is one of the country's old industrial bases. With outdated equipment, backward technology, large amounts of old products, and the strain on capital, our province far lags behind in the equipment renewal and technological transformation over the past years. As a result, the province has reduced its industrial production competition capability. The major problems are that the society and enterprises do not have the pressure on technological progress and technological transformation. To this end, we should define enterprises' property right according to the market economic law so that the enterprises should assume sole responsibility for their profits or losses, the enterprises with good achievements should exist, and those without achievements should be eliminated. No "blood will be transfused" to those that are hopeless to halt their deficits. Meanwhile, we should give award to the staff and workers with good achievements and punish those with bad performances so as to optimize their contingents. We should give high payments and handsome rewards to those with inventions and break rules to use them so as to really form a motivation mechanism and an accumulation mechanism to promote scientific and technological progress, to speed up the reconstruction of the old industrial base, and to restore the prestige of the old industrial base.

We must not completely close ourselves to the outside world but should carry out the strategy of opening the country with the focus on the coastal areas to the outside world. Due to the long-term closure and the development of the import-oriented economy, our province is rather slow in opening to the outside world. To this end, we should seize the opportune moment to upgrade the strategy of opening to the outside world, to shift the focus of development from helping supply each other's

needs under the planned economic system to developing transnational cooperation under the market economic system, and to develop the export-oriented economy to promote the economic growth, the readjustment of the economic structure, and the improvement of the economic results. To this end, we should carry out the international trade main thoroughfare strategy and make our province become a thoroughfare of the northeast Asia international cooperation strategy. We should carry out the strategy of conducting cooperation with the places south of the province, opening to the places north of the province, and making connections between various industries so as to link our provincial economy with the international market. To carry out the strategy of developing transnational cooperation, we should go to the Far East Area of the Russian Federation to run development zones, commercial streets, and cooperatively run plants and farms. We should conduct regional cooperation with foreign countries and further extend the cooperation spheres east to Japan, the ROK, and the United States and west to the hinterland of the Russian Federation and the East European countries. In the next eight years, the province should strive to quadruple the foreign trade volume. That is, the province's foreign trade volume should reach \$10 billion and the foreign trade volume should account for more than 40 percent of the GNP eight years later.

After the interview, Secretary Weiben said: "What I have said is my preliminary idea made after hearing Premier Li Peng's Government Work Report. So, this can only be offered to the provincial party committee, the provincial government, and Heilongjiang's 36 million people for reference."

#### Comments on Township Enterprises

SK1404130093 Harbin Heilongjiang People's Radio  
Network in Mandarin 1000 GMT 12 Apr 93

[Text] The provincial township enterprise work conference held by the provincial party committee and government concluded in Jiamusi city today. At today's session, provincial party Secretary Sun Weiben gave an important speech, and Governor Shao Qihui gave a report on expediting Heilongjiang's township enterprise development.

Sun Weiben said in his speech: Township enterprises constitute an important part of Heilongjiang's economic development. Regarding the current township enterprise work, we should, on the one hand, emancipate our minds and adopt unconventional measures to develop it by leaps and bounds. We should abandon the rules and regulations taken shape under the planned economy system and, based on specific local conditions, adopt the various forms of ownerships and the various systems of labor and distribution, and boost all initiative in developing township enterprises. On the other hand, we should seek truth from facts and exert earnest efforts to

do practical work based on the specific local characteristics and advantages in developing township enterprises. In the current development of township enterprises, we should act according to the objective law governing the socialist market economy and gradually turn the vast number of peasants and township enterprises into major policy makers, major investors, and major risk takers. Meanwhile, we should extensively implement the shareholding cooperative system of peasants so that the development of township enterprises will help in the rational flow and optimal disposition of the essential elements of production.

Sun Weiben pointed out in his speech: In developing township enterprises and heading for the market, we should use and train a great number of adepts who know the market and turn them into leaders in developing township enterprises and rejuvenating the rural economy.

In his speech on how the province should develop township enterprises at high speed and high quality, Governor Shao Qihui said: Heilongjiang's township enterprises have found a way out of the low-rate and stagnant development. Their output value, income, and the profits and taxes turned over to higher authorities increased at a fairly high rate simultaneously last year. They have entered a stage of accelerated development. However, the province still falls notably behind some advanced localities in the township enterprise development.

Governor Shao Qihui said: All localities, cadres at all levels, and the masses throughout the province should regard township enterprise development as an important measure for rejuvenating the rural economy and increasing peasants' income. They should work hard for three years to successfully push Heilongjiang's township enterprises a great step forward. All localities should implement well the policies and measures for developing township enterprises put forward by the provincial party committee and government, enhance their sense of urgency and crisis, and further straighten out the roads they have taken to develop township enterprises. Based on their actual conditions and with science and technology placed in the lead, they should, on the one hand, give prominence to key enterprises and expand their scale and, on the other, develop those of various categories and ownerships. All localities should change their idea of waiting for and relying on assistance; improve their management of township enterprises, a new type of the economy; build well the small industrial zones for township enterprises and the markets; improve the quality of the personnel and technology of township enterprises; change their product mix; upgrade their product quality; develop export-oriented township enterprises; and strive to attain the target of doubling the growth of township enterprises in three years.

In conclusion, Governor Shao Qihui said: All localities in the province should regard township enterprise development as an important measure for promoting a change

in the systems of the rural economy and resolutely protect and rely on the enthusiasm of peasants. Leading cadres at all levels should do deep among the masses to give heed to their voice and adopt all effective measures to reduce their burdens. Meanwhile, they should help peasants resolve the difficulties in their production and everyday life, concretize the concern and support shown by the party and the government to the vast number of peasants, and promote a stable and coordinated development in the rural economy and rural work of the province.

Also present at today's session were Sun Kuiwen, vice governor, and Liu Gongping, secretary general of the provincial government.

#### **Jilin's Changchun City Congress Elects Leaders**

*SK1604101893 Changchun JILIN RIBAO in Chinese  
19 Mar 93 p 1*

[Text] At the First Session of the 10th Changchun City People's Congress, Comrade Zhang Mingyuan was elected chairman of the Changchun City People's Congress Standing Committee, and Comrade Mi Fengjun was elected mayor of Changchun. At the First Session of the Eighth Changchun City Committee of the Chinese People's Political Consultative Conference [CPPCC], Comrade Pei Ximin [5952 1585 2404] was elected chairman of the Changchun city CPPCC committee.



# **Ministry Says Hijacker Suspected of Embezzlement**

OW1404140693 Beijing XINHUA in English 1341  
GMT 14 Apr 93

[Text] Beijing, April 14 (XINHUA)—Information gathered by China's Ministry of Public Security indicates that Huang Shugang, who, with another man, hijacked a China Southern Airlines jetliner from the Chinese mainland to Taipei on April 6, may be guilty of embezzlement.

When Huang worked as a salesman for a restaurant of the guesthouse run by the Tangshan Iron and Steel Company in 1992, he became acquainted with Liu Baocai, the other hijacker, who was a private pedlar engaged in selling seafood and aquatic products in Tangshan city.

Huang and Liu often went to dance halls and gambled together at that time, the ministry's spokesman said.

Discovering in February that Huang's accounts were very disordered, the guesthouse urged him many times to clear up the books. Huang delayed and refused on various pretexts.

Huang, together with Liu, left Tangshan for Shenzhen on April 3, without asking for leave from his work unit.

An investigation conducted by the Public Security Bureau of Tangshan found that within the past few months, Huang had written out more than 30 checks on the guesthouse's account. Huang had withdrawn as much as 400,000 yuan, much more than the value of the commodities he purchased for the guesthouse during the same period of time. Another eight checks handled by Huang have not yet been found.

Thus, the spokesman said, the suspected embezzler Huang may have hijacked the plane, together with Liu, to evade legal punishment on the mainland.

## **Commentary Hails Cooperation in Hijacking Case**

OW1604062393 Beijing Central People's Radio in  
Mandarin to Taiwan 2200 GMT 14 Apr 93

[Station editor Yu Xin's commentary: "Cooperation Between the Mainland and Taiwan in Cracking Down on Crime"—from the "News and Current Events" program]

[Text] On 6 April, a China Southern Airlines passenger plane, which was scheduled to fly to Beijing from Shenzhen, was hijacked to Taiwan's Chiang Kai-shek Airport by two hijackers, Huang Shugang and Liu Baocai. Because of the cooperation of relevant authorities in Taiwan, the incident was handled expeditiously, and the plane flew back to the mainland in a matter of hours.

According to reports, the hijackers confessed in Taiwan that they had stolen 100,000 yuan from a state-owned company, and the police authorities in Taiwan suspected

that the two hijackers might have intended to abscond with the money. Taiwan police found 100,000 yuan and over 800 Hong Kong dollars in their luggage and on their bodies. Through proper channels, mainland authorities contacted the police on Taiwan and demanded that these two hijackers be returned to the mainland for handling.

In an article published on 9 April, Taiwan's TZU YOU SHI PAO [FREEDOM TIME] urged the Taiwan authorities to repatriate the two hijackers, Huang Shugang and Liu Baocai, to the mainland. The article pointed out: Relations between the two sides are relaxing. The Taiwan authorities must revoke the extrajudicial privilege of those so-called anticommunist fighters or freedom seekers, let alone shelter and lightly punish the hijackers, lest people believe that Taiwan is a paradise for criminals and adventurers.

All civilized countries know that hijacking an airplane and therefore jeopardizing other people's lives with violence is an extremely serious crime. According to the norm, hijackers should generally be brought back for trial to the place where they came from. An accord signed between the sides of the strait dictates that criminals sneaking into each other's territory should be extradited. Records show that many criminals from Taiwan have been extradited back to Taiwan since 1992. Public opinion supports the idea that Taiwan will have reciprocated if it chooses to return the two hijackers, Huang Shugang and Liu Baocai, to the mainland for handling. No matter what their motives might be, hijackers must be harshly punished; otherwise, such terrorism in the air cannot be thwarted.

The two sides of the strait used to intervene in such serious crimes like they were cases of political struggle. The fact that Taiwan did not regard the hijackers as anticommunist fighters this time shows that relations between the two sides have improved substantially. After the plane was hijacked to Taiwan, Taiwan's Vice Minister of Justice Lin Xihu indicated that plane hijacking, regardless if it is politically motivated, must be harshly punished according to law.

Immediately after learning that a passenger plane was hijacked, mainland authorities decisively handled the case in accordance with the highest principle that lives and the safety of all passengers on the plane must be ensured. Thus, crew members on the plane were ordered to fly the plane to Taiwan to avoid any accident that might happen as a result of a possible struggle with the bandits [fei tu]. The Association for Relations Across the Strait on the mainland also immediately sent a message to Taiwan's Foundation for Exchanges Across the Strait, requesting that it immediately urge authorities concerned to take measures to ensure the passengers' safety. People at home and abroad were also promptly informed of the hijacking. Such pragmatism demonstrated by the two sides in cracking down on plane hijacking should be acknowledged.

The hijackers' ignorance that they would be severely punished instead of being treated like anticommunist fighters shows that our publicity efforts in this area have failed to catch up with the new development of relations

between the two sides of the strait. To prevent the recurrence of similar crimes, the two sides should energetically publicize that they will cooperate in cracking down on all criminals, especially villains who hijack airplanes.

### Cabinet Approves Revision to Copyright Law

OW1604085193 Taipei CNA in English 0811 GMT  
16 Apr 93

[Text] Taipei, April 16 (CNA)—The cabinet Thursday [15 April] approved a revision to the copyright law in what is seen as a last-ditch effort to avert imminent trade sanction by the United States.

The amendment to Article 87 concerning parallel imports of copyrighted works is pending the approval of the Legislative Yuan.

Premier Lien Chan said the amendment is the outcome of a series of discussions between the administrative and legislative branches as well as negotiations with the U.S.

"As a developed country, not only determination but concrete policies are necessary if we are to fully protect intellectual property rights [IPR]," Lien said.

He stressed that the nation should step up its protection of IPR no matter whether there is external pressure or not.

The amendment is, however, apparently aimed at keeping Taipei from facing a powerful trade retaliation by its largest trading partner.

Washington and Taipei failed to reach an agreement on copyright protection during last month's consultations. Washington has threatened to put Taipei on its list of countries subject to trade sanction if its demands are not met before the end of April.

The focal point of the dispute are eight controversial articles of the copyright agreement Taipei signed with Washington last year. The eight articles regarding parallel imports of copyrighted works were shelved by the Legislative Yuan, a move the U.S. regarded as an ROC [Republic of China] failure to honor its previous promise.

Bowing to pressure, Taipei in informal consultations last week agreed to ban in principle parallel imports of copyrighted works with some exceptions.

Thursday's proposed amendment would give the ban a legal basis, but whether it will pass the legislative floor before the month's end remains to be seen.

### Defense Minister on F-16 Deal, F-104 Safety

OW1604024893 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
14 Apr 93

[From the "Hookup" program]

[Text] Speaking in the Legislative Yuan yesterday, National Defense Minister Sun Chen said: The decision by the Netherlands and three other European countries to join the U.S. midlife upgrading plan for the A and B models of F-16 fighters has dispelled our country's

anxieties about buying these fighters. He also promised to ask the United States to transfer 10 percent of relevant technology to our manufacturers. Here is a report by Liu Yu-mei:

[Begin recording] [Liu] During a joint session of its Foreign Affairs and National Defense Committees this afternoon, the Legislative Yuan asked National Defense Minister Sun Chen and Foreign Affairs Ministry officials to report on air defense arrangements to ensure the security of our country's airspace in light of the interregnum in the Air Force's combat capability. The interregnum has resulted from the superannuation and high accident rate of F-104 fighters, which are the mainstay of our country's Air Force. It has also resulted from the considerable lead time before domestically produced fighters known as indigenous defense fighters [IDFs] can rolled off the assembly lines and from the fact that the delivery time for the F-16 and Mirage high-performance fighters which our country has ordered from the United States and France is still three years away.

In reply, National Defense Minister Sun Chen said: Air battles are integrated operations involving missiles and bombs. Although the F-104 fighters have surpassed their service life, our country has automated its missile and bomb systems and placed them under unified operational control. If the Communist Chinese Air Force launches an armed invasion of Taiwan, our country's military forces can still effectively repel attacks and ensure the security of our airspace because the Armed Forces have direct control over air services and can launch joint air operations. At present, we should closely monitor military activities in neighboring countries.

[Sun] We will intensify our efforts to monitor military activities in Mainland China and in other neighboring countries. We will then use our automated command systems to put our bombs and missiles together.

[Liu] In response to the legislators' demand for withdrawing all accident-plagued F-104 fighters from service, Minister Sun said explicitly: F-104 fighters are still the main force in military operations. In practice, it is difficult to withdraw all such fighters from service. The National Defense Ministry still plans to lease the A and B models of F-16 fighters from the United States. The plan has yet to be finalized because there are too many variables.

This has been a report by China Broadcasting Corporation reporter Liu Yu-mei from the Legislative Yuan.  
[end recording]

### DPP Makes 'Strong Bid' To Participate in Talks

HK1604022293 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Apr 93 p 10

[By Willy Wo-lap Lam in Taipei]



[Text] The historic meeting between Taiwan and the mainland in Singapore this month might be jeopardised by a strong bid by the opposition Democratic Progress Party (DPP) to take part in the "non-official" talks.

Sources in Taiwan said the administration of President Mr Li Teng-hui was under pressure to let a DPP observer take part in the Ku-Wang summit.

Mr Ku Chen-fu, head of the quasi-governmental Strait Exchange Foundation (SEF) is to meet his counterpart from Beijing's Association for Relations Across the Taiwan Strait (ARATS), Mr Wang Daohan, on April 27 and 28.

The Secretary-General of the SEF, Mr Chiu Chin-i, said the cabinet-level Mainland Affairs Council (MAC), which issues instructions to the foundation, had not decided whether to let the DPP join the talks.

"Our agreement with ARATS is that participants in the Ku-Wang talks will be members of SEF and ARATS. If the MAC decided in favour of a DPP representation, we have to talk to ARATS again," he said. SEF officials indicated, however, that if the MAC authorised them to take on a DPP observer, they would try to facilitate this.

The Deputy Secretary-General of SEF, Mr Shih Chipping, said: "We have not yet notified ARATS and we do not know how they will react."

He hinted Beijing should understand the complexity of Taiwan's party politics, and that it had been suggested that the DPP wanted to make sure the SEF stuck to its brief of handling only functional and procedural, but not political matters, with ARATS.

Taiwan sources said Beijing, which has condemned the pro-independence stance of the DPP, would be reluctant to allow a DPP representative at the talks. If Taipei insisted, the summit might be postponed.

Political analysts said the DPP, which has one-third of legislative seats, was in a position to put pressure on the administration.

Party policy research chief Mr Chen Chung-hsin said: "We want a DPP representation in the Ku-Wang talks because cross-strait relations are an issue that affects Taiwan's 21 million people.

"Negotiations, even so-called non-official ones, with the mainland need to be done on the basis of a consensus between the ruling Kuomintang and ourselves."

It is understood Mr Li might want to mollify the DPP.

Meanwhile, SEF's Mr Shih said: "It is still premature for us to open branches in the mainland or for ARATS to do the same in Taiwan because non-official exchanges between the two units in areas including the economy and culture have only just begun."

### **Ku To Meet Lee Kwan Yew Before PRC Talks**

*OW1604090993 Taipei CNA in English 0827 GMT 16 Apr 93*

[Text] Taipei, April 16 (CNA)—Chairman C.F. Ku of the Straits Exchange Foundation (SEF) said Thursday [15 April] that he plans to visit former Singapore Prime Minister Lee Kwan Yew before his meeting with his mainland Chinese counterpart in the city state later this month.

Ku is scheduled to leave for Singapore April 26 for an unprecedented meeting with Wang Daohan, chairman of Beijing's Association for Relations Across the Taiwan Straits (ARATS).

Both the SEF and ARATS are quasiofficial organizations authorized to handle cross-strait exchanges.

Ku said he hopes to call on Lee Kwan Yew when he arrives in Singapore. "But, of course, this is up to the arrangement by the host country," he added.

Ku, who will head a delegation of 15 to 16 SEF staff members for two days of talks with high-level ARATS officials, noted that his meeting with the Singapore patriarch is for the sake of decorum.

Local political observers, however, said the meeting between Ku and Li carries political significance because Li once offered to mediate between the two sides of the Taiwan Straits. Singapore has welcomed the idea of Taipei and Beijing holding talks on its territory.

The much-publicized Ku-Wang meeting is scheduled to take place April 27-28 and may extend to a third day if necessary. Ku said his mission and the ARATS delegation will stay in different hotels.

## Hong Kong

### Article Evaluates Patten's 'Political Farce'

OW1604015593 Beijing RENMIN LUNTAN in Chinese  
5 Feb 93 pp 52-54

[Article by Zhao Lihai (6392 3810 3189): "Such a Political Farce—Chris Patten's 'Political Reform Program' as Viewed From the Perspective of International Law"; first paragraph is editor's note]

[Text] Viewed from the angle of the science of international law, the following article, written by Comrade Zhao Lihai, noted jurist, member of the Chinese People's Political Consultative Conference [CPPCC] National Committee, and professor of international law at Beijing University, "carries considerable weight." At the request of the CPC Central Committee Overseas Propaganda Group Second Bureau, it is published in the February issue of RENMIN LUNTAN in the hope that the generally acknowledged truth may be made clear to all and that international law will eventually scotch political tricks of every description.

As soon as Hong Kong Governor Chris Patten's "Political Reform Program" was announced, there was a public outcry. The masses were indignant and, as if by prior agreement, condemned the program for violating the "Sino-British Joint Declaration," the principle of convergence with the Basic Law, and various understandings reached between the Chinese and the British sides. This article focuses on analyzing "Patten's political reform program" from the angle of international law to see what kind of stuff it is after all, as well as to see the seriousness of the consequences arising therefrom.

"The Joint Declaration," the "Memorandum of Understanding [MOU]," or the "understanding" reached through "diplomatic documents"—no matter how they are named—will constitute a treaty and be legal if they are intended to create legal rights and obligations between signatories.

The dispute stirred up by Chris Patten involves the "Sino-British Joint Declaration," the Sino-British "MOU on the Construction of the New Hong Kong Airport and Relevant Issues," and other "understandings" reached between the Chinese and the British sides through "diplomatic documents." They have a dazzling multitude of names. What are their legal effects? It is necessary to offer some clarifications here.

A "joint declaration" is a document jointly issued by the representatives of two nations or governments after their talks on diplomatic occasions on the progress or the whole process of their talks, or agreements they have reached. If such a document is intended to create, amend, or abolish legal rights and obligations, it will constitute a treaty. This principle was acknowledged by the judgment made by the International Court of Justice on the "Aegean Continental Shelf Case" in 1978 (*The*

*International Court of Justice's Judgments, Consultations, Opinions, and Rulings*, 1978, p 39).

A "MOU" is a treaty or agreement reached between two governments on handling less important matters, such as the "U.S.-Soviet MOU on Establishing Direct Communications and Liaison" signed in 1963. The agreement reached between the Chinese and British sides on "the new Hong Kong airport and relevant issues" in July 1991 was also called a "MOU." Regarding the legal effect of "diplomatic documents," Satow, the former British envoy to China, offered an authoritative explanation in his famous work *A Guide for Diplomatic Practice*. He wrote in his work: According to Article 2 of the "Vienna Convention on the Law of Treaty," "treaties include not only international agreements in the form of a single and formal document, but also international agreements in the form of relevant documents, such as an exchange of notes or an exchange of letters." He pointed out that "the word treaty may denote all international contracts that take international law as the standard signed between nations, regardless of the names used by the written documents or a series of documents incarnating the contracts." Therefore, the word "treaty" means not only treaties, conventions, pacts, and agreements, but also "documents, note exchanges, letter exchanges, provisional agreements, and such written documents or a series of written documents as meeting minutes and MOU's agreed upon by the signatories" (Satow: *A Guide for Diplomatic Practice*, Chinese version of the fifth edition, 1984, pp 340-341).

As is known to all, the "Sino-British Joint Declaration" was an agreement reached between the Chinese and British on the important issue of China's resuming sovereignty over Hong Kong after 1997. It is a solemn agreement, and the concerted action taken in connection with the above issue creates legal rights and obligations between the signatories, thereby constituting a treaty and having a legal effect. The "Sino-British Joint Declaration" was submitted to the UN Secretariat for registration in June 1985 in accordance with the regulations stipulated in Section One of Article 102 of the "UN Charter." No doubt, it is a solemn treaty or international agreement and is inviolable.

Annex One of the "Sino-British Joint Declaration" offers a specific explanation on the Chinese Government's basic policy toward Hong Kong. The "Basic Law for the PRC Special Administrative Region [SAR]" drawn up by China was an action taken in accordance with the "Joint Declaration" to implement an international treaty at home for the purpose of fulfilling the rights and obligations stipulated by the treaty. In the process of drafting the Basic Law, the Chinese Government attentively listened to the views expressed by the British to the Chinese through diplomatic channels, took them into consideration, and assimilated them in earnest. Thus, the Basic Law converges with the "Sino-British Joint Declaration." The British side must strictly follow this principle.

The seven "diplomatic documents" on Hong Kong's political system represent the understandings and consensus reached by Chinese Foreign Minister Qian and British Foreign Secretary Hurd regarding the number of legislative seats open to direct elections and the formation of an electoral committee. These documents are binding on both China and Britain. Ruling on a case concerning "the legal status of East Greenland" as early as 1933, the Permanent Court of International Justice maintained that "this type of reply made by a foreign secretary on behalf of his government to a demand made by his counterpart in another country who acts within his functions and powers is binding on the country of the foreign secretary who makes the response. This is indisputable" (*The Permanent Court of International Justice, Cases of A/B Categories, Issue No. 53, p 71*).

It is a universally acknowledged norm in international law to "abide by treaties." The "Sino-British Joint Declaration," the "Sino-British MOU on the Construction of the New Airport in Hong Kong and Relevant Issues," and other understandings reached through diplomatic documents are binding on both parties, who must implement them in good faith.

It is a long-established, universally acknowledged norm in international law to "abide by treaties" and to "uphold the sanctity of treaties." Ruling on the "British-U.S. North Atlantic Fishery Case" as early as 1901, the Permanent Court of International Justice declared: "All countries have the duty to fulfill, in good faith, their obligations arising from treaties." "The fulfillment of these obligations is impelled" by sanctions customarily imposed by the international community to ensure the observance of treaty obligations, such as recourse to public opinion, the publication of relevant documents, denunciations, and reprisals. Article 26 of "The Vienna Convention on Treaty Laws" explicitly states: "All valid treaties are binding on relevant countries, which must enforce the treaties in good faith." Item 2 of Article 2 of the UN Charter states: "All members shall fulfill in good faith the obligations assumed by them in accordance with the present charter."

An ancient Chinese saying goes: "Promises must be kept, and actions must be resolute." To "fulfill in good faith" is to faithfully observe all the provisions of a treaty, whether to the letter or to the spirit, and to adopt enforcement measures in accordance with the requirements of the treaty; no actions should be taken to undermine the aims of the treaty.

Why do we say that Patten's "political reform program" contravenes the "Sino-British Joint Declaration," the principle of convergence with the Hong Kong Basic Law, and the understandings reached by China and Britain? Facts cannot be denied. In short, there are three reasons. 1) Hong Kong's current political system is an executive-led system of dual appointments under which the Legislative Council [Legco] is accountable to the Executive Council. This system conforms to the spirit of "ensuring that Hong Kong's current social and economic systems

will remain unchanged" as specified in the "Sino-British Joint Declaration," and is conducive to Hong Kong's smooth transition. Patten's "political reform program" attempts to separate the Executive and Legislative Councils, to abolish the dual-appointment system for members of the two councils, to change the Legco's status before 1997, to expand the power of the newly created "Committee in Charge of Government and Legco Affairs" under the Legco, and to enhance the committee's power in government policymaking. This will replace the current executive-led system with a legislative-based system after 1997, when the legislature will exercise sole control over the government of the Hong Kong SAR. 2) Hong Kong's current Legco is composed of 60 members, most of whom are appointees. The procedures for electing members to the legislature should follow the principle of gradual and orderly progress. In his 12 February 1990 letter to Foreign Minister Qian, British Foreign Secretary Hurd confirmed this understanding: "The British Government plans to limit the number of directly elected seats to 18 during the 1991 direct elections, if the Basic Law sets the numbers of directly elected seats in the Hong Kong SAR legislature at 20, 24, and 30, respectively, in 1997, 1999, and 2003." As for the constitution of the electoral committee, China indicated that "it could only act in accordance with the components and proportions specified in Item Two of Annex One of the Basic Law." In his 2 February letter to Foreign Minister Qian, British Foreign Secretary Hurd confirmed: "I agree in principle with the arrangements that you have laid out for constituting the election committee. The committee can be created in 1995." Now the British have found an excuse to repudiate the understanding mentioned above and play tricks with the 1995 elections. While making many changes to the election methods, such as changing the system of dual votes for dual parliamentary seats to the system of a single vote for a single parliamentary seat, increasing the number of functional constituencies from 21 to 30, replacing constituency-based voting with individual voting, and lowering the eligible age for voting from 21 to 18, the British authorities in Hong Kong are changing the current parliamentary seats for functional constituencies and the election committee, which ought to be installed by indirect elections, to parliamentary seats to be installed by direct election, thereby covertly increasing the number of parliamentary seats by direct election, to place more "democrats" who can represent British interests in the Legco. As a result, the number of appraisers who are directly elected or directly elected in disguised form reaches 40, thereby capturing a two-thirds majority in the Legco and achieving the purpose of colonial rule in disguised form. 3) The Chinese and British signed the "MOU on the Construction of the New Hong Kong Airport and Relevant Issues" on the basis of the "Sino-British Joint Declaration" in July 1991; however, the Hong Kong British authorities arbitrarily approved the contract for the No. 9 Container Wharf after the Chinese and British had responded to the general financial committee's application for funds appropriation and after they had approved the contract



for the airport platform. It certainly will result in a huge waste in construction, a drastic increase in the budget for the cost of the airport, a heavy financial burden for the Hong Kong Government, and a violation of the understanding reached by the above-mentioned memorandum.

Furthermore, to change and repudiate the agreement and understanding reached between the Chinese and British Governments, the Hong Kong British authorities instigated the Legco to pass an amendment motion forwarded by (Mailijue) [name as published; 7796 3810 6030]. It must be pointed out, however, that the Legco is merely an advisory organ under the jurisdiction of the Hong Kong British Government. The obligations under the international agreements and understandings signed by the British Government can only be fulfilled by the British Government itself, who undertakes such obligations according to the agreement. Britain's using an organ under its jurisdiction to pass Chris Patten's "Political Reform Program" and oppose the international obligations it has undertaken runs counter to international practice. These kinds of political tactics that "divide and rule" the Hong Kong people will be of no avail.

In short, "one who goes back on one's word is not trustworthy." Chris Patten's arbitrary decision and action grossly violated the "Sino-British Joint Declaration," the principle of convergence with the Basic Law, and such agreements as the understandings reached between the Chinese and British sides that have legal, binding force, as well as the requirements of international law that "a treaty must be abided by"—which have long been established and generally acknowledged. The British Government must bear the responsibility for all the serious consequences arising therefrom.

While seriously implementing the "Sino-British Joint Declaration" and the Basic Law, the Chinese Government has announced that all contracts, leases, and agreements, except land leases, signed or ratified by the Hong Kong British Government without the consent of the Chinese side will become invalid after 30 June 1997. This is completely reasonable and legitimate. Moreover, according to international law, one party has the right to demand compensation from the other party if the latter seriously violates an agreement. If any contracts or leases that cover the time after 1997 signed by the Hong Kong British authorities without our consent create heavy debts on Hong Kong, the Chinese Government has the right to demand compensation from the British Government and the British Government must bear the legal responsibility for compensation.

According to Article 60 of the "Vienna Convention on Treaties," "if one party of a bilateral treaty makes any major violation of the treaty, the other party has the right to terminate the treaty completely or partially or to suspend its implementation on the grounds of the violation." Here, the so-called "serious violation" means the

violation of any stipulation of the treaty "which is necessary to attaining the objective or purpose of the treaty."

What legal rights does China have in the dispute started by Chris Patten? If one party violates an agreement, what should the other party do? We can find the answers to these questions in the relevant writings of a British treaty law authority. According to McNair, an international law professor from Britain's Oxford University and International Court of Justice judge, there are two options under the circumstances—termination of obligations or demanding compensation. He wrote: "Serious, authorized treaty violations will make the victimized party justified either in announcing the termination of the treaty or taking steps to obtain compensation" (McNair: *Treaty Law*, 1938 edition, p 492).

According to international practice, if one party "persistently violates the treaty and causes losses to the other party, the faultless party will demand compensation for the losses" (U.S. INTERNATIONAL LAW JOURNAL, 1935 supplementary issue, p 991).

Our government always acts in good faith, and we honor all international agreements and understandings signed by our country. For the purpose of maintaining prosperity and stability and achieving a smooth transition in Hong Kong, our government continues to firmly and seriously implement the "Sino-British Declaration" and the Basic Law, even when the Hong Kong British authorities are gravely violating agreements. In the meantime, the spokesman from our State Council's Hong Kong and Macao Affairs Office pointed out in his 30 November 1992 statement: "According to the Sino-British Joint Declaration, Britain's administrative power over Hong Kong will terminate on 30 June 1997, and it will then have no right to handle any affairs after the date." "Accordingly, all contracts, leases, and agreements signed or ratified by the Hong Kong British Government that are not approved by the Chinese side will be valid until 30 June 1997." "Except for the provisions on land leases set in Annex Three of the Joint Declaration, other contracts, leases, and agreements signed and ratified by the Hong Kong British Government that are not approved by the Chinese side will be invalid after 30 June 1997. Recently, the Hong Kong British authorities unilaterally worked out leases and monopoly contracts that are valid beyond 1997; they also unilaterally approved the No. 9 Container Wharf contract. All these actions go against the Basic Law and violate the "Sino-British Joint Declaration." Our government does not recognize any of these moves. This solemn and just stand is entirely reasonable and legitimate.

Nevertheless, it must be pointed out that our government has the right to demand compensation from the British Government for debts totaling tens of billions of Hong Kong dollars, or even close to 100 billion Hong Kong dollars, which the Hong Kong SAR will incur as a result of the Hong Kong British authorities' unilateral decision to work out contracts and leases that are valid

beyond 1997. The British side must bear all legal obligations arising from this decision.

To defend his "political reform program," Chris Patten has made a big issue out of "democracy." Everybody knows that democracy belongs to the political field and the realm of the superstructure; it should be determined by and serve a certain economic basis. There is no abstract democracy in the world, but only concrete democracy. Our government has consistently supported the people of Hong Kong in their demand for democracy, and this is specifically and fully embodied in the Basic Law. The democracy that we advocate conforms with Hong Kong's reality and should be realized in an orderly and gradual way. It is conducive to Hong Kong's prosperity and stability and accords with the interests of most people in Hong Kong. On the contrary, Chris Patten's "democracy" encourages Western-style parliamentary elections. He seeks to quicken the democratization process by increasing the number of directly elected parliamentary seats. This type of democracy will not serve Hong Kong's prosperity and stability or bring real benefits to the people of Hong Kong.

People cannot help asking why this Hong Kong governor has rushed to greatly speed up the democratization process during the transitional period—which is less than five years away—despite the fact that during Britain's 150-year rule of Hong Kong, the territory has always been ruled by a governor who is only accountable to the British minister in charge of colonies without ever giving any consideration to fostering democracy in Hong Kong. Insightful people can easily recognize this act as a customary trick employed by colonialists before they retreat from their colonies. Chris Patten harbors malicious intentions under the false disguise of "democracy." He is vainly attempting to lead Hong Kong toward covert independence, instead of helping "China resume sovereignty over Hong Kong" as stipulated in the "Sino-British Joint Declaration." He has created obstacles to Hong Kong's smooth transition in 1997 to introduce British colonial rule without British nationals. His attempts will never succeed.

Colonialism is political and economic enslavement, exploitation, and oppression of people in other regions. It is very difficult to change this nature of colonialism. Unwilling to leave the world arena, colonialists will inevitably try to create disturbances and be more crafty and adventurous. Nevertheless, there is no doubt that whoever tries to promote "independence," "semi-independence," or covert colonial rule in Hong Kong will not succeed. The only solution available to the Hong Kong British authorities is to follow the trend of the times; to stop playing political tricks; to change their minds and revoke their "program"; to strictly abide by the "Sino-British Joint Declaration," the Basic Law, and the understandings reached by the Chinese and British sides; and to return to the broad path of cooperation with China.

### Benefits of Resumed Sino-UK Talks Noted

HK1604081093 Beijing ZHONGGUO XINWEN SHE in Chinese 1126 GMT 15 Apr 93

[By reporter Shao Ping (6730 1627)]

[Text] Guangzhou, 15 Apr (ZHONGGUO XINWEN SHE)—Gu Yongjiang, vice minister of foreign trade and economic cooperation in China, said today that the resumption of Sino-British talks on the problem of Hong Kong's political system is conducive to safeguarding the normal Sino-British trade relations.

Gu Yongjiang accepted an interview with our reporters after attending the opening ceremony of the Guangzhou Trade Fair. He said that up to now, Sino-British trade, including the trade between China and the British companies in Hong Kong, have been carried out on the basis of equality and reciprocity. However, if the British Hong Kong authorities continue to violate the Sino-British Joint Declaration and the Basic Law, and affect Hong Kong's prosperity and smooth transition, the objective consequences will affect trade between China and Britain.

### UK Urged To Speak 'Prudently' on Talks

HK1604031493 Hong Kong WEN WEI PO in Chinese 16 Apr 93 p 6

[Report: "Zheng Guoxiong Urges Britain To Speak Prudently, Saying There Are No Teams in Sino-British Talks"]

[Text] Zheng Guoxiong, deputy director of the XINHUA Hong Kong Branch, yesterday reiterated that according to an arrangement jointly made by both the Chinese and British sides through discussion, the diplomatic consultations between China and Britain to be held in Beijing next Thursday will entirely be consultations between the representatives of the two governments. Each side has only one representative. The Chinese representative is Vice Foreign Minister Jiang Enzhu, and the British representative is British Ambassador to China Robin McLaren. The other participants are advisers and experts assisting the work of the representatives. There will be no delegations or teams in the talks. He hoped that at this moment the British side will make positive efforts to create a favorable atmosphere for the talks rather than making remarks or statements contradictory to, or running counter to, the arrangements for talks, which have been affirmed by both sides.

Zheng Guoxiong made these remarks when attending an opening ceremony for Sichuan Province's trade talks to invite investments from Hong Kong. When asked by a reporter why there will be no arrangements for news coverage, Zheng replied: "Both China and Britain have decided through discussion that the talks will be confidential and there will be no news releases during the talks. That is why there will be no arrangements for news coverage by the media." He admitted that the XINHUA

NEWS AGENCY has also received some complaints about this issue recently and the agency is ready to pass them to the relevant authorities.

Talking about the issue of Sino-British diplomatic consultations yesterday, Zheng Guoxiong said: "Some time ago the Chinese and British sides reached an agreement on talks arrangements after repeated diplomatic contacts, and talks between both sides will resume in Beijing next Thursday, during which the arrangements for Hong Kong's 1994-95 elections will be discussed. When both sides had affirmed that talks would be resumed, they drafted a unified news bulletin together. Now as everyone can see on the issues such as the subjects for discussion, the principles and foundation of the talks, and that the talks will be held between the representatives of the Chinese and British Governments, there are definite terms in the news bulletin. The names of representatives of both sides are also clearly stated. The Chinese representative is Vice Foreign Minister Jiang Enzhu and the British representative is Ambassador to China Robin McLaren. This is a very important point. I believe that next week the talks will be held in accordance with the unified principles stated in the news bulletin, which have been affirmed by both sides. In this connection, one point is very important, that is, both sides have clearly stated that the talks will entirely be held between the representatives of the two governments and each side will have only one representative. The other participants will be advisers and experts assisting the work of the representatives. There will be no delegations or teams in the talks."

He continued: "The Chinese side has shown its sincerity toward the talks from the very beginning. We hope that positive results will be achieved through the talks, because they will conform to the interests of Hong Kong and the interests and aspirations of the vast numbers of Hong Kong compatriots. We also hope that at this moment, the British side will make positive efforts to create a favorable atmosphere for the talks, rather than making remarks or statements contradictory to, or running counter to, the arrangements for talks, which have been affirmed by both sides."

#### **Commentary Criticizes Patten on Legco's Role**

HK1604075893 Hong Kong WEN WEI PO in Chinese  
16 Apr 93 p 6

["Short commentary" by Chun Chiang (2504 3068):  
"Behind the So-Called 'Not Subject to Manipulation'"]

[Text] Various circles in Hong Kong have welcomed the announcement made by the Chinese and British Governments on talks on the arrangements for Hong Kong's 1995 elections. Hong Kong Governor Chris Patten has also been every excited, commenting in the media almost every day. But what he has most often repeated is that it is necessary to ensure that Hong Kong's 1995

elections will be "splendid and clean," "fair and honest," and "not manipulated." These remarks merit our attention.

Who wants to manipulate the Legislative Council [Legco] elections? There is no harm in reviewing history first. Britain has ruled Hong Kong for over a century. There is no need for us to mention the fact that, in the early years, there was not even a Chinese in the Hong Kong Legco, and, later, all Chinese Legco members were appointed by the Hong Kong governor, which shows there was not a shred of "democracy" there, or if we mention the fact about who has been ousted from Legco and who has been newly appointed by Chris Patten since he came to Hong Kong, just look at the direct elections for some Legco seats in 1991. This was also openly or covertly manipulated by the British Hong Kong authorities. The British Hong Kong authorities made use of their administrative power to make some devious arrangements for the election. During the election, electoral personnel directly canvassed votes for certain candidates, and tried hard to attract those who held identical views with the British side. Hong Kong citizens have made many complaints about the 1991 elections, but there has been no response from the authorities. The vestiges of "manipulation" were only too clear to see. We can say that before the history of British colonialist rule in Hong Kong has ended, those who wish to and are able to manipulate Legco, which is an advisory body to the Hong Kong governor, and the composition of its members can only be on the British side, not the Chinese side.

Originally, during the first 10 days of March, through diplomatic consultations, China and Britain were already about to reach unanimity on the question of Hong Kong's 1995 elections, and both sides were ready to begin talks in mid-March or in the last 10 days of March. But Chris Patten suddenly gazetted his constitutional reform package and closed the door on Sino-British talks. It can be said that Chris Patten has done all he can to pursue his constitutional package by coercing and threatening Legco members, misleading the citizens, playing the "public opinion" card, and travelling overseas to sell his ideas. His motive is obvious to all, that is, to revoke the agreements reached between the two countries so he can totally manipulate the 1995 elections.

Chris Patten's purpose in manipulating the 1995 elections is to try in a thousand and one ways to draw those who are antagonistic to China into Legco so that Hong Kong will become an independent political entity through their efforts and so that British colonialist rule can be extended in a disguised form. Has Chris Patten not repeatedly stated recently that, through the 1995 elections, a Legco which is credible and is not a "rubber stamp" should be established? Has he not repeatedly demanded that China should ensure that those "democratic personages not liked by the Chinese side" can remain in Legco after 1997 on the "through train"? This is the best footnote for his motives.



**Legislators Elected in 1995 May Not Stay in 1997**

HK1604022093 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Apr 93 pp 1-2

[chris Yeung, Fanny Wong, and Fan Cheuk-wan]

[Text] China has warned Britain that it will insist on having the right to decide which members of the 1995 legislature qualify to remain on the first legislature of the Special Administrative Region (SAR).

The warning came from a Chinese official in what was seen as a statement of Beijing's negotiating position ahead of next week's talks between Britain and China over Hong Kong's political reforms.

The official, who spoke on condition of anonymity, said China would not accept Britain's demand that Legislative Councillors elected in 1995 would automatically become members of the first post-1997 legislature.

This would allow China to exclude those who it considered subversive, such as liberal legislators Mr Martin Lee Chu-ming and Mr Szeto Wah.

"There is no room for any wishful thinking. They should keep their eyes open and look at what is laid down in the Basic Law," the official said.

"The Basic Law has clearly stipulated that there are certain political requirements for the members (in the Legco elected in 1995) if they want to serve beyond 1997. We have to respect the facts."

Beijing's condition will put it on a collision course with Britain, which is expected to reject it as it would amount to derailing the through train concept.

If China insists on throwing people off the through train after reaching agreement with Britain on 1994/95 electoral arrangements, there would be no point in holding talks, said a source close to the British side.

The British maintain that if China reached agreement on the 1994/95 electoral arrangements, it would only be reasonable to expect those elected under that formula to serve after 1997.

An opinion poll has shown there is majority support in Hong Kong for Britain's position. A total of 60 percent of the public feel a through train arrangement for Legco is important.

The poll was conducted by the Social Sciences Research Centre of the University of Hong Kong (HKU) on Wednesday night.

Under the Basic Law, members of the 1995 Legco who pledge allegiance to the SAR Government and meet the requirements set out in the mini-constitution may, "upon confirmation by the Preparatory Committee", become members of the first legislature.

The SAR Preparatory Committee should be composed of mainland members and of Hong Kong members, who shall constitute not less than 50 percent of its membership, according to the Basic Law.

Such arrangements have been described as the "through train" model aimed at maintaining continuity in the change of sovereignty.

Even if Chinese and British negotiators are able to agree on the electoral methods for the 1994/95 polls next week, the Chinese official argued, it did not mean that those so elected would be given an automatic seat in the first SAR legislature.

"China does not have the right to endorse the right of the members to sit on the 1997 legislature. It is a matter with the Preparatory Committee. It is impossible to have talks about it now. This is unreasonable."

With a clash over the through train in the offing, the official warned not to be overly optimistic on the outcome of the talks.

Another Chinese source said: "The British side is trying to exchange the Patten package for Beijing's undertaking to allow a handful of anti-China politicians to get on the through train. But China cannot barter away its principles."

The HKU poll showed that of 541 respondents, 60 percent said the through train was important, while 12.6 percent felt it was not important and 20 percent had no opinion.

About 40 percent believed the Government should not introduce the reform proposals into Legco during the negotiations. Only about 29 percent thought otherwise.

**Taiwan Reports Possible PLA 'Drastic Measures'**

OW1604045693 Taipei LIEN HO PAO in Chinese  
5 Apr 93 p 1

[By reporter Chang Ping (1728 5493) from Hong Kong]

[Text] According to local informed sources, the mainland military has formulated several programs of "drastic measures" in case the Hong Kong situation worsens.

It has been learned: Before Patten assumed his post as Hong Kong governor, the mainland military had formulated a program to garrison troops in 1997, including barracks construction, selection of cadres, garrison positions, equipment and facilities, and logistic support.

However, after the 1992 Central Military Commission's reshuffle, members of the new Central Military Commission, at some veteran generals' request, predicted a situation whereby if Britain does not smoothly hand over Hong Kong, its stable transition cannot be ensured. On that basis, the General Staff Department's operation

department and other military academies jointly formulated several contingency programs, including the program on Sino-British confrontation; the program on U.S. involvement; and the program on triangular relations among the mainland, Hong Kong, and Taiwan.

Li Jing, former Navy deputy commander and currently deputy chief of the General Staff, has been directly responsible for formulating the programs, because he is familiar with sea and air combat. Zhu Dunfa, former commander of the Guangzhou Military Region and currently commandant of the People's Liberation Army [PLA] National Defense University, joined in amending the programs.

According to the draft programs, the Guangzhou Military Region, the South Sea Fleet, and the Navy's Air Force will specifically execute these "drastic measures."

Even though these preparatory programs have not been submitted to the Central Military Commission for discussion, Liu Huaqing advocated that "preparedness averts peril." Once Deng Xiaoping gives the order, they can be used at any time.

Meanwhile, officers and men who were originally trained to be garrisoned in Hong Kong can also serve as the main force for the contingency programs. Therefore, the PLA General Staff Department's Training Department has readjusted its training plans according to the contingency programs. Training is progressing according to schedule.

The sources said: The relevant programs have only been preparatory arrangements for a worst case scenario in Hong Kong. Such moves conform to the Chinese Communist military's regular practices.

#### Officials 'Concerned' Over PRC Ship Detentions

HK1604022693 Hong Kong SOUTH CHINA  
MORNING POST in English 16 Apr 93 p 3

[By Greg Torode]

[Text] Hong Kong officials, increasingly concerned by mainland-sanctioned armed raids on merchant ships leaving the territory, will cite fears for maritime safety in an effort to pressure China to stop the practice.

On the same day as another three vessels were chased, and possibly detained, by Chinese border patrol boats, Hong Kong officials admit their hand is being forced by growing local and international concern that the new wave of piracy and interceptions will damage the territory's reputation as a safe port.

British, United States and Liberian ships have been warned about pirates and armed Chinese patrols in the South China Sea, while the Hong Kong Shipowners'

Association, whose members include major international firms, is taking a greater interest in threats to local shipping.

In an apparent turn-around, senior Marine Department officials are lobbying the Security Branch to persuade China to stop chasing ships on major shipping lanes near the territory.

Sources said safety was being touted as a "diplomatically sensitive" way of getting China to talk about actions in its own backyard.

Previously, both the Marine Department and Security Branch have played down the issue, maintaining that Shenzhen Public Security Bureau and customs officials had the right to intercept ships passing through Chinese waters surrounding Hong Kong.

Latest figures show that 18 ships heading from Hong Kong to Vietnam and Taiwan have been detained so far this year, excluding last night's incident off Po Toi Island. Marine Department and shipping industry officials now fear other aborted official raids could be reported as piracy.

"Things are suddenly getting very murky; we could be looking at Chinese officials making pirate raids, or pirates posing as Chinese officials," one Marine Department source said.

"One thing is certain, it's Hong Kong's reputation that is suffering. It is little comfort that the Royal Navy is looking at what it can do in international waters, because clearly it's going to be powerless to take any sort of action against Chinese patrol boats in Chinese waters."

Papers are now being prepared for the secretary of security, saying constant patrols of small Chinese gunboats in the shipping lanes create confusion, fear, and a grave navigational hazard.

The hit-and-run collision between an unknown cargo ship and a Chinese border patrol boat in November last year just outside Hong Kong waters near Waglan Island will be used as an example.

Six people on board the boat died when it sank as the cargo ship continued uninterrupted on its dawn run to Taiwan.

Marine Department officials later handed to Chinese counterparts the name of a ship in the area at the time.

They now believe the boat may have been trying to intercept the ship at the time of the collision. The ship is now moored in Hong Kong.

Marine Department principal surveyor Mr Duncan Drummond said for small boats to chase ships across major shipping lanes was an unreasonable risk.

"It also goes against the training of a master to allow his ship to get close to small boats," he said.

The director of the Hong Kong Shipowners' Association, Mr Michael Farlie, said his organization was now looking closely at the "wider issues surrounding interference to merchant shipping around Hong Kong," following an executive committee meeting last week.

The association had previously distanced itself from the first wave of Vietnamese ship interceptions last year.

"Now things are increasingly in our backyard, we are working closely with the Hong Kong Government," Mr Farlie said.



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**DATE FILMED**

19 APRIL 1993

